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PROGRESS IN THE INCORPORATION OF RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT IN THE ACTIVITIES OF INTERNATIONAL ORGANIZATIONS, AND MEASURES UNDERTAKEN BY THE ADMINISTRATIVE COMMITTEE ON COORDINATION TO ENSURE THAT SUSTAINABLE DEVELOPMENT PRINCIPLES ARE INCORPORATED INTO PROGRAMMES AND PROCESSES WITHIN THE UNITED NATIONS SYSTEM

Recommendations and proposals for improving coordination of programmes related to development data that exist within the United Nations system

Report of the Secretary-General

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INTRODUCTION

1. The General Assembly, in its resolution 47/191, requested the Secretary-General to submit to the Commission on Sustainable Development, at its substantive session of 1993, recommendations and proposals for improving the coordination of programmes related to development data that existed within the United Nations system, taking into account the provisions of paragraph 40.13 of Agenda 21, 1/ inter alia, regarding "Development Watch" (para. 24).

2. In paragraph 40.13 of Agenda 21, the United Nations Conference on Environment and Development acknowledged that:

> "Institutional capacity to integrate environment and development and to develop relevant indicators is lacking at both the national and international levels. Existing institutions and programmes such as the Global Environmental Monitoring System (GEMS) and the Global Resource Information Database (GRID) within UNEP and different entities within the system-wide Earthwatch will need to be considerably strengthened. Earthwatch has been an essential element for environment-related data. While programmes related to development data exist in a number of agencies, there is insufficient coordination between them. The activities related to development data of agencies and institutions of the United Nations system should be more effectively coordinated, perhaps through an equivalent and complementary "Development Watch", which with the existing Earthwatch should be coordinated through an appropriate office within the United Nations to ensure the full integration of environment and development concerns."

3. Although reliable information on development variables is regularly compiled and disseminated by the Statistical Division of the Secretariat, the United Nations Development Programme, the World Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development, among others, in a series of publications, this wealth of information is rarely taken into account during negotiations aiming at solving environmental problems. Development and environmental data should be readily available to policy makers, negotiators, decision makers and to society as a whole in support of international, national and local efforts towards sustainable development. The harmonization of existing information systems in the United Nations system could play a crucial role in the implementation of Agenda 21. Such a coordinating effort needs to be undertaken from the perspective of the needs of users at the national level. At the same time, this wealth of integrated environment and development data will be enriched by information provided by various sectors and groups of society.

4. The present report outlines current and, to the extent possible, prospective United Nations activities relevant to the recommendations of Agenda 21, as well as to the broad process of coordination under way.

5. Within the Department for Policy Coordination and Sustainable Development initial efforts will concentrate on information requested during negotiations leading to the conventions on climate change, desertification and biological diversity. Close coordination between the collection and retrieval of data from

primary sources, as well as in the presentation and dissemination of integrated environment and development data related to those processes would be essential. This exercise will be undertaken in collaboration with the United Nations Environment Programme (UNEP) and other organizations concerned.

6. Part of the mandate of the Department for Policy Coordination and Sustainable Development is to provide substantive support for the monitoring of progress in the implementation of Agenda 21 and activities relating to the integration of environmental and developmental goals throughout the United Nations system and to promote an integrated treatment of sectoral and cross-sectoral issues including in particular issues relating to sustainable development. In this regard, the Department will coordinate the retrieval of information, promote active cooperation between all sources of information within and outside the United Nations system and ensure that existing information systems are strengthened.

I. "DEVELOPMENT WATCH"

7. The Inter-agency Committee on Sustainable Development, at its first session, agreed that some preliminary conceptual work would have to be carried out in view of the vast scope and complex nature of a possible "Development Watch". In response, the Department for Economic and Social Information and Policy Analysis reviewed existing mechanisms of data coordination. Socio-economic and environmental data are already coordinated to a large extent at the international level through mechanisms served by the Statistical Division of the Secretariat. Those mechanisms include, in particular, the Subcommittee on Statistical Activities of the Administrative Committee on Coordination (ACC) and the Statistical Commission.

8. The Department for Economic and Social Information and Policy Analysis proposes to further explore the concept of "Development Watch" with the help of a Task Force on Environment Statistics recently established under the aegis of the Statistical Commission. The findings of the Task Force could then be reviewed by both the ACC Subcommittee on Statistical Activities and the Inter-agency Committee on Sustainable Development. With regard to the linkage of "Development Watch" to Earthwatch, the Statistical Division has suggested to UNEP that the examination of those links be part of cooperative efforts between UNEP and the Statistical Division, possibly under a memorandum of understanding.

9. Further activities that could be coordinated under "Development Watch" are current efforts to expand the Department's PRED database to include, besides demographic, social and economic data, environmental and natural resource variables.

II. INTEGRATED ACCOUNTING AND INDICATORS OF SUSTAINABLE DEVELOPMENT

10. Agenda 21 includes a programme area on establishing systems for integrated environmental and economic accounting. In this programme area, the Statistical Division of the Secretariat is requested to develop and promote the methodologies of integrated accounting and to assist member States in their implementation (paras. 8.43, 8.50, 8.52).

11. The SNA Handbook on Integrated Environmental and Economic Accounting is to be issued shortly as a sales publication of the United Nations. The Statistical Division has recently carried out short-term missions to China, Indonesia and Thailand, through the United Nations regular programme for technical support, with a view to assisting the Governments of those countries in the implementation of integrated accounting. These missions may evolve into country projects, similar to case studies already carried out in Mexico and Papua New Guinea. It is intended to conduct further country projects with the possible support of UNEP and other international organizations.

12. At the regional level, the Statistical Division presented the new integrated accounting methodologies to an Organization of American States (OAS) Seminar on Natural Resource and Environmental Accounts for Development Policy (Washington, D.C., 13 and 14 April 1993). Jointly with UNDP, the Statistical Division organized a workshop on Environmental and Natural Resource Accounting for Asian and Pacific Countries (Beijing, 20-22 April 1993). Further regional seminars are planned for Africa and countries in transition in cooperation with UNDP and UNEP.

13. Agenda 21 also recommends the harmonized development of a suitable set of indicators of sustainable development by the United Nations system and other relevant international organizations and, in this context, requests the Statistical Division to pursue the development of those indicators (paras. 40.6 and 40.7).

14. Under the aegis of the Statistical Commission, the Statistical Division has recently been requested to establish a Task Force on Environment Statistics. The Task Force will, inter alia, assess the need for improved coordination in the development of environmental indicators and indicators of sustainable development. The Statistical Division will suggest the establishment of a (core) working group on such indicators to the Task Force. An expert group meeting on such indicators is proposed as part of the above-mentioned memorandum of understanding between UNEP and the Statistical Division (see para. 8 above). The Intergovernmental Working Group on the Advancement of Environment Statistics, to which the Statistical Division provides secretariat services, will continue to guide the international work on environmental statistics and indicators. In addition, complementary roles of the Technical Working Group of the former ACC Task Force on Long-term Development Objectives and the Inter-agency Working Group on Demographic Estimates and Projections could be envisaged, possibly under the proposed "Development Watch".

15. In Agenda 21, the United Nations Secretariat is requested to support, in all member States, the utilization of sustainable development indicators in national economic and social planning and decision-making practices, with a view to ensuring that integrated accounts are usefully integrated in economic development planning at the national level (para. 8.44). The use of integrated accounts in developing a National Action Plan for Sustainable Development for Papua New Guinea is currently being explored as part of an inter-agency effort of assisting the country in implementing Agenda 21 at the national level. This study could become a model for similar activities in other countries.

III. CONCLUSION

16. The Secretary-General will further inform the Commission on Sustainable Development regarding progress in improving the coordination of programmes related to development data that exist within the United Nations system and stands ready to further explore the concept of "Development Watch" on the basis of any specific proposals and recommendations of the Commission.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

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PROGRESS ACHIEVED IN FACILITATING AND PROMOTING THE TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY-BUILDING

Report of the Secretary-General

SUMMARY

The UNCED process has been a stimulus to new thinking and initiatives on the transfer of environmentally sound technology, cooperation and capacity-building. The present report provides background information and a framework for the Commission's consideration of chapter 34 of Agenda 21. It highlights emerging trends and issues with respect to the agendas of national Governments, international organizations, non-governmental organizations and the private sector. Initiatives which have been taken to promote the transfer of environmentally sound technology, cooperation and capacity-building are outlined. Issues that may require consideration by the Commission at its current and future sessions are identified.

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INTRODUCTION

1. The General Assembly, in calling upon the Economic and Social Council to establish the Commission on Sustainable Development (Assembly resolution 47/191), placed emphasis on the transfer of environmentally sound technology, cooperation and capacity-building. This reflected the prominence of the issue both in the negotiations leading up to the United Nations Conference on Environment and Development and in Agenda 21, 1/ adopted by the Conference.

2. The functions of the Commission on Sustainable Development related to the transfer of environmentally sound technology, cooperation and capacity-building identified in General Assembly resolution 47/191 are as follows:

(a) To consider information provided by Governments, including information in the form of periodic communications or national reports regarding the activities they undertake to implement Agenda 21, the problems they face, such as those related to financial resources and technology transfer, and other environment and development issues they find relevant;

(b) To review the progress in the implementation of the commitments contained in Agenda 21, including those related to the provision of financial resources and transfer of technology;

(c) To monitor progress in promoting, facilitating and financing, as appropriate, access to and transfer of environmentally sound technologies and corresponding know-how, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries for the implementation of Agenda 21.

3. By decision 1993/217, the Economic and Social Council approved the provisional agenda for the first session of the Commission on Sustainable Development, which included consideration of the progress achieved in facilitating and promoting the transfer of environmentally sound technology, cooperation and capacity-building.

4. Because of the short period of time between the organizational session of the Commission (February 1993) and the present session, an extensive survey of national experience and the experience of non-governmental organizations with respect to the progress achieved in promoting the transfer of environmentally sound technology, cooperation and capacity-building has not been possible. The matter will have to be taken up in a future report, the exact form and nature of the reporting on national experience to be decided on by the Commission.

5. The present report identifies emerging trends and activities within and outside the United Nations system related to technology transfer and technology-related capacity-building. The report also outlines some key issues the Commission may need to address at its present and future sessions, and related issues raised at the first session of the Commission on Science and Technology for Development, held in April 1993.

6. The organizations of the United Nations system, other international organizations and many Governments are in a transitional phase with respect to the outcome of the UNCED process, reassessing and, where necessary, reorienting existing programmes and activities to reflect the new mandates and requests for action set out in Agenda 21.

7. Agenda 21 as it relates to science and technology is largely focused on issues of technology transfer and related capacity-building for protection of the environment and human resource development. As stated in chapter 34 of Agenda 21:

> "Environmentally sound technologies are not just individual technologies, but total systems which include know-how, procedures, goods and services, and equipment as well as organizational and managerial procedures. This implies that when discussing transfer of technologies, the human resource development and local capacity-building aspects of technology choices, including gender-relevant aspects, should also be addressed. Environmentally sound technologies should be compatible with nationally determined socio-economic, cultural and environmental priorities" (para. 34.3).

8. The activities proposed in chapter 34 are aimed at:

> "improving conditions and processes on information, access to and transfer of technology (including the state-of-the-art technology and related know-how), in particular to developing countries, as well as on capacity-building and cooperative arrangements and partnerships in the field of technology, in order to promote sustainable development" (para. 34.5).

9. The specific activities called for in chapter 34 cover seven programme areas:

(a) Development of international information networks which link national, subregional, regional and international systems;

(b) Support of and promotion of access to transfer of technology;

(c) Improvement of the capacity to develop and manage environmentally sound technologies;

(d) Establishment of a collaborative network of research centres;

(e) Support for programmes of cooperation and assistance;

(f) Technology assessment in support of the management of environmentally sound technology;

(g) Collaborative arrangements and partnerships.

10. In the interest of brevity and to facilitate reporting on chapter 34, items (d), (e) and (g) have been clustered under a single heading called collaborative arrangements.

11. In addition to the range of generic activities proposed in chapter 34, references to the transfer of environmentally sound technology, cooperation and capacity-building are contained in various parts of Agenda 21.

12. To make its task more manageable, the Commission on Sustainable Development may wish to focus its initial review of the transfer of environmentally sound technology, cooperation and capacity-building on chapter 34. Technology transfer and capacity-building as contained in the thematic chapters, such as those on protection of the atmosphere or protection of water resources, could be taken up as those chapters are reviewed. This would have the advantage of providing thematic integration in the sense that such issues as financial resources and technology transfer, in addition to being dealt with on a cross-sectoral basis, would be taken up specifically in reference to the theme under review. Many organizations, both national and international, deal with technology issues as they relate to specific substantive fields rather than in generic terms.

I. TRENDS AND ISSUES RELATED TO THE TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY-BUILDING

13. The general issue of sustainable development and the transfer of environmentally sound technology, cooperation and capacity-building has evolved in the thinking and agendas of national Governments, international organizations, non-governmental organizations and the private sector. Much of this change has resulted from the UNCED process itself and from an evolving public response to environment and development problems.

14. In recent years, there has been a growing international consensus that technology transfer needs to be multidimensional if it is to serve global environmental sustainability needs. Consequently, Governments and intergovernmental organizations have increasingly emphasized the partnership, cooperation and innovative policy-making opportunities inherent in the fabric of the technology transfer process.

15. It is increasingly clear that transfer, cooperation and capacity-building can involve technologies and processes not only from state-of-the-art owners but also from those who have preserved age-old processes that are suitable for environmental sustainability. For example, the agricultural method known as Integrated Pest Management (IPM) is a process rediscovered from developing countries rather than a process developed in an advanced technology laboratory. IPM is currently a sustainable agricultural method promoted both by the agricultural agencies of developed countries and by such international organizations as the Food and Agriculture Organization of the United Nations.

16. Another change in the organizational strategy of international organizations is the growing emphasis on assessing in-house projects for their environmental impact or the inclusion of sustainable development concerns in their organizational programmes. For example, since the late 1980s environmental impact assessment statements have been mandatory for all World Bank projects.

17. Some developed countries have established a "golden carrot programme" to promote the development of technologies that exceed established standards for energy efficiency. This is accomplished in two ways. The first is through the provision of cash rebates to a large but fixed number of first purchasers of products to help ensure a sufficiently large volume of sales and market penetration. While this, in effect, may constitute a subsidy, it is not meant to make energy cheap but to help a new technology penetrate the market. The second component of a "golden carrot" comprises large cash incentives to producers to offset incremental manufacturing costs. Such funds are often raised through consortia of utility manufacturers and other constituencies. 2/

18. As noted in the report of the Secretary-General to the Commission on Science and Technology for Development at its first session (E/CN.16/1993/9):

> "developing countries can gain access to technology by a series of mechanisms, such as the importation of capital goods, foreign direct investment and by obtaining licences. Foreign direct investment, in particular, with its many variations, offers know-how in production processes, management and marketing. Joint ventures are also a way of combining foreign investment and technology transfer. Industry itself decides where to invest, but Governments in developing countries can influence the behaviour of companies to a certain extent by liberalizing the investment climate. Transparency and stability of regulations are important in this respect" (para. 64).

19. Domestic policies and related incentive/disincentive systems play an important role in removing barriers to technology transfer and encouraging the effective application and dissemination of environmentally sound technologies. Agenda 21 encourages activities directed towards the creation of favourable policies, including subsidies and tax policies, as well as other regulations to support and promote the access, transfer and introduction of environmentally sound technologies in all countries.

20. Some of the recognized options that facilitate the transfer of technology include tax incentives for environmental goals, tariff incentives for environmentally sound technologies, and funding of transfers through multilateral and bilateral official development assistance programmes. 3/

21. On the private sector side, there are at least three areas in which changes in the approach to environment and environmentally sound technologies could have a positive effect on the global effort for sustainable development. These include (a) changes in sectoral diversity and level of private sector activities in support of environmentally sound technologies; (b) developments directed towards building a market for technological alternatives for sustainable development; and (c) perceptual and institutional changes regarding environmentally sound technologies.

Sectoral diversity and level of activities

22. The level of business and industry activities in support of environmentally sound technologies has rapidly increased the numbers and types of companies involved and their financial commitments. Environmentally responsible activities are no longer carried out by only a few large companies that can

afford sustained activities in environmental management and technology design. Hundreds of corporations have adopted and are implementing environmental guidelines, 4/ research and development programmes, 5/ and management structures. 6/ In addition, firms of all sizes are financially and institutionally committed to improving the environmental performance of their operations. 7/ Nevertheless, much remains to be done in this area.

23. The sectoral distribution of environmental activities has moved from being limited to a few industrial sectors (such as the chemical and oil industries) to include packaging, agriculture, manufacturing, electronics and durable goods industries, among other sectors. 8/ The financial sector, for its part, is promoting programmes that support sustainable development activities, including environmentally sound technologies. 9/

Building a market for sound technologies

24. The lack of market support institutions for environmentally sound technologies has been one of the most significant barriers to increasing access to sounder technological alternatives. 10/ A rapidly expanding range of financial, analytical and engineering services for the transfer, development and use of environmentally sound technologies is needed to fill this market vacuum in the 1990s.

25. Evidence from the past few years shows a sizeable and rapid market development in environmental goods, services and investments. For example, the world-wide market for environmental goods and services is estimated to double during the 1990s, from US$ 300 billion to US$ 600 billion. 11/ In developing countries, environmental goods and services are estimated to grow by 5 to 25 per cent annually. 11/ In the United States of America alone, the market for environmental technologies and related analytical services is expected to expand by 15 to 20 per cent over the next several years. 12/

26. There is also a considerable growth in the organization of the supply side of environmentally sound technologies. Growing numbers of environmental investment funds are creating a favourable business climate for companies that research, produce and market environmentally sound technologies. World-wide estimates indicate that at least 200 "green funds" will invest in upwards of 500 environment-related technology companies. 13/

Perceptual and institutional shifts

27. A perceptual shift in the private sector with regard to overall environmental responsibility is the most crucial factor in the promotion of environmentally sound technologies. This shift should include changes from short-term to long-term environmentally sound business planning; from reactive to proactive environmental activities; from simple product design to design for product-life-cycle; and, in the case of transnational corporations, from limited environmental responsibility at headquarters to expanded environmental responsibility in corporate international operations.

28. Growing numbers of corporations see the economic benefits of transferring their environmental management expertise to all their international operations, because such transfers not only serve to standardize corporate operations but

also improve a transnational corporation's overall public environmental performance record.

29. Although much remains to be done in changing attitudes and practices, the trends are favourable and indicate that in the implementation of recommendations related to environmentally sound technologies, in chapter 34 and other chapters of Agenda 21, a growing involvement of the private sector can be anticipated, whether it is within firms, between firms or between Governments and the private sector. But in order to support this trend, the processes must bring together businesses within countries and internationally. Governments must continue to focus attention on the need for such a change of attitude and practices.

II. INITIATIVES FOR THE TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY-BUILDING

30. The following are reported initiatives being undertaken by United Nations organizations, the private sector and in some cases Governments and non-governmental organizations. This enumeration is indicative rather than comprehensive. For reasons of space and time, descriptions have been condensed and summarized and in some cases it has been necessary to be selective.

A. Development of international information networks linking national, subregional, regional and international systems

31. The rapid evolution of data collection and information technology makes the development of guidelines and mechanisms for the transfer of information and data, particularly to developing countries, increasingly necessary and feasible. This will require a more efficient use of existing information networks to assist in the appropriate choice, transfer and management of environmentally sound technologies which are emerging or already available on the market.

32. At its first session, the Commission on Science and Technology for Development, in its discussion of technology information dissemination and management, raised the issue of basing programmes on the practices of global business, particularly systems for the rapid and continuous transfer of documents in scientific research. Information systems and information access should be promoted so that developed and developing countries can be more closely linked. Developing countries should have low-cost access to databases. The Commission on Science and Technology for Development was also of the view that building the capacity of developing countries would clearly include the element of building a specific capability for handling information transfer.

33. The United Nations Development Programme (UNDP) is establishing a Sustainable Development Network to facilitate freer and more rapid access to information for users in developing countries; to encourage increased communication about sustainable development; and to enhance the capacity of national institutions to meet their own needs for information and to participate in the Network.

34. At its seventeenth session, in May 1993, the Governing Council of the United Nations Environment Programme (UNEP) authorized initial steps so that UNEP could develop international guidelines on information exchange between exporters and importers regarding the environmental impacts of potentially harmful technologies. The UNEP Cleaner Production Programme is a data network that links the existing sources of information on low- and non-waste technologies and promotes cleaner production worldwide through the International Cleaner Production Information Clearing house (ICPIC). 14/

35. UNEP also established the Ozone Action Information Clearing House (OAIC) in response to the Montreal Protocol on Substances that Deplete the Ozone Layer. This computerized information system contains descriptions of alternative technologies and a database of producers and services related to the reduction of ozone-depleting substances.

36. The Inter-African Seminar for Cooperation and Integration of Science and Technology for Development, which took place in Burundi in November 1992, adopted concrete and action-oriented recommendations with regard to supporting regional and local science and technology organizations. These organizations were considered to be essential in promoting and facilitating the dissemination and management of scientific and technological information.

37. The World Intellectual Property Organization (WIPO) provides advice to Governments on drafting appropriate laws and regulations for intellectual property rights. It also provides training to developing countries on the transfer of environmentally sound technologies that are protected as intellectual property (see E/CN.16/1993/9, para. 94). WIPO created a State-of-the-Art Search Programme to assist institutions and individuals in developing countries in accessing patent information for certain technologies, including descriptions of the extent of novelty involved, ownership and terms of transfer.

38. For the private sector, more accurate and reliable information disclosure is the starting point for contributions to information networks. Examples of progress in private sector environmental information disclosure include a 13 per cent increase of environmental information in company reports, up from 10 per cent less than two years earlier. 15/ Furthermore, some companies themselves are pointing to the need for uniform and independently verified reporting.

39. Truly global environmental information networks, especially for environmentally sound technologies, have yet to be developed. This process will require broad international cooperation and would benefit from the vast information sources and communication networks of the private sector. The business and industry response to an environmentally sustainable production process is leading to a number of largely "local" developments in networking the available information.

40. For example, some companies share environmentally beneficial research and development information with other businesses, including competitors: the Industry Cooperative for Ozone Layer Protection (ICOLP) is a cross-industry group dedicated to sharing information on chlorofluorocarbon (CFC) substitutes with manufacturers, especially in developing countries; 16/ automobile recycling

efforts are bringing auto manufacturers together with their supplier firms and local recyclers to develop information networks for better recycling strategies. 17/

41. Industry associations are also in the process of filling some of the information networking gaps at the international level. For example, the information links through national chapters of the International Chamber of Commerce have already been crucial to the success of a number of environmentally sound technology transfer opportunities in developing countries. 18/

B. Support of and promotion of access to transfer of technology

42. Since technologies that can slow or even reverse the trend of environmental degradation in the atmosphere, biosphere and geosphere are central to the sustainable development objectives of all countries, the demand arises for the international community to support and promote the accessibility and transfer of environmentally sound technologies, especially to developing countries, under conditions that are fair and affordable. The transfer of these technologies should, as appropriate, be associated with activities which ensure their rapid diffusion and thus have a positive effect on the environment in a reasonable time.

43. In response to this need it is recommended, in paragraph 34.18 of Agenda 21, that Governments and international organizations promote, and encourage the private sector to promote, effective modalities for the access and transfer, in particular to developing countries, of environmentally sound technologies through a variety of interrelated activities.

44. The technology programme that emerged from the decisions adopted by UNCTAD at its eighth session (Cartagena de Indias, Colombia, February 1992), has focused on promoting the transfer of technology to developing countries and on building the technological capacities of those countries. The Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer of the Trade and Development Board of UNCTAD has agreed on a work programme composed of three priority areas, one of which is the transfer and development of environmentally sound technologies. This priority area includes the following two elements relevant to the implementation of Agenda 21: (i) issues involved in the generation, transfer and diffusion of environmentally sound technologies that have an impact on competitiveness and development; and (ii) policies and measures for the promotion, development, dissemination and financing of environmentally sound technologies, particularly in developing countries, taking into account the need to provide incentives to innovators that promote research in and development of these technologies. A workshop on the transfer and development of environmentally sound technologies is scheduled to take place in 1993.

45. At its first session, the Commission on Science and Technology for Development recommended to the Economic and Social Council the adoption of a draft resolution, in which the Council would decide that the Commission should place particular emphasis in its work on the policy issues and options related to the development, transfer and utilization of technologies that promote sustainable development objectives, in accordance with the mandate of the

Commission and taking into account the provisions of Agenda 21 concerning science and technology (E/1993/31, chap. I, draft resolution IV).

46. In addressing the financial implications of those provisions, the Commission on Science and Technology for Development cited the need to provide, on a predictable basis, the necessary financial means to sustain science and technology activities, including those addressed in Agenda 21. In this context, in the same draft resolution, the Economic and Social Council would encourage bilateral and multilateral donors to provide further support for the development, transfer and application of environmentally sound technologies.

47. The Commission on Science and Technology for Development gave particular attention to the issue of organizing a more effective coalition of resources to finance science and technology for development (see E/1993/31, chap. VI). This coalition would draw upon a variety of bilateral and multilateral funding sources. Since the United Nations Conference on Environment and Development did not agree on any separate funding mechanism related to environmentally sound technologies, it would be critical to address the issue in conjunction with various initiatives in related fields, particularly in the field of development financing and environment. 19/

48. The private sector supports other incentive mechanisms such as awards for innovative technology design. For example, the Better Environment Awards of the United Kingdom of Great Britain and Northern Ireland are given to encourage innovative environmental technology designs and management practices. 20/

C. Improvement of the capacity to develop and manage environmentally sound technology

49. The United Nations, first through the Centre for Science and Technology for Development and then the Department of Economic and Social Development, has been developing and promoting a practical programme of endogenous capacity-building based on a series of pilot projects undertaken initially in 10 developing countries to assist them in their efforts to accelerate economic growth and harness the potential of modern science-based technologies.

50. The primary objective of the programme is to enhance the intrinsic capability of developing countries to exercise autonomous and informed judgements on how and where to develop and deploy domestic or external technologies in the fulfilment of their development priorities. The pilot programme aims at assisting interested countries to identify and overcome policy inconsistencies and programmatic gaps in their efforts to harness technology to the service of environment and development.

51. The concept of endogenous capacity-building as used in the pilot programme is not synonymous with indigenous science and/or technology, nor is it wholly subsumed under science and technology infrastructure such as research and development institutions. It includes human resource development and the integration of science and technology into macroeconomic policies and is fully in harmony with sustainable development. In essence, it is the crucial capacity - human and institutional - to decide what science and what technology should be developed domestically, how to obtain access to and negotiate the

transfer of external technologies, and how to harmonize technological change and the growth process, all in the context of long-term sustainable development goals.

52. In this sense, the pilot programme initiative in science and technology is a precursor of and complement to Capacity 21 of UNDP and such other programmes as the African Capacity Building Foundation of the World Bank. The pilot programme has been widely appreciated and endorsed in broad terms by the Organisation for Economic Co-operation and Development (OECD). It was also reviewed at a meeting of a group of donor organizations that included the International Development Research Centre and the Swedish Agency for Research Cooperation with Developing Countries (SAREC). Although pilot in nature, the programme covers a wide spectrum of countries and the empirical data gathered and the analyses made could provide a conceptual and operational basis, with appropriate adjustments, for other countries and bilateral donor organizations.

53. At its first session, the Commission on Science and Technology for Development expressed its approval of the pilot programme in terms of "the underlying concepts, methodologies and approach that emphasized de facto national execution under the leadership of a National Steering Committee consisting of representative stakeholders drawn from among policy makers, industries, the private sector, the science and technology community and financial and educational institutions" (E/1993/31, chap. III, para. 12).

54. The Commission suggested that "a comprehensive programme on endogenous capacity-building relevant to Agenda 21 be developed which could help in achieving the objective of making the transition to environmentally sustainable technologies" (E/1993/31, chap. III, para. 11). It identified this as a key task on which they could provide leadership. The manner in which the Commission on Sustainable Development and the Commission on Science and Technology for Development would cooperate and coordinate their activities in this regard should be fully discussed as both bodies have a joint interest in the topic.

55. UNDP has initiated Capacity 21, the objective of which is to assist countries in (a) formulating strategies that integrate environment and development; (b) identifying priority areas of Agenda 21 on which they wish to focus their efforts; (c) identifying major capacity-building requirements on which countries would like to take immediate action as a way of implementing national Agenda 21 and sustainable development plans; and (d) formulating programmes and projects to meet capacity-building requirements by strengthening national or regional scientific and technological research and development. This would include promoting the development of databases and disseminating knowledge and information and increasing the participation of the population in the decision-making process.

56. Responding to the challenge of Agenda 21, the World Engineering Partnership for Sustainable Development, representing about 12 million engineers, has focused on the change of work methods needed to achieve sustainable development objectives. A framework based on Agenda 21 has been established to guide the work of engineers all over the world. The organization has also set short-term goals such as establishing regional centres to support global sustainable development. It decided that development projects that did not include changes as in engineering practices should not be funded. 21/

57. The Union of International Technical Associations has devoted priority attention to sustainable development and environmentally sound energy technologies. In this regard, the Union is organizing jointly with the United Nations Educational, Scientific and Cultural Organization an International Congress of Engineering Deans and Industry Leaders which aims at developing a dialogue for directing the engineering profession and engineering research towards the needs of the economy and the constraints of the environment.

58. On the private sector side, there are numerous positive examples of capacity-building initiatives. Business and industry already see training in environmentally sound technologies in its broadest meaning. As one industry representative put it, "technology transfer is not just putting together a set of blueprints and faxing them out to [developing countries]. There is a whole educational process that goes with it and a structure to be sure local managers are trained to use the technology". 22/ Examples of industry-led environmental training efforts include that of the International Centre for Environmental Technology (ICET) which was established by private enterprises in Japan in 1991. ICET is currently conducting the "10,000 Training" project, which aims at training 10,000 trainees from developing countries about advanced environmental and energy technologies over 10 years. 23/

D. Technology assessment in support of the management of environmentally sound technology

59. The lack of appropriate equipment and knowledge to assess the environmental impact of technologies has resulted, at times, in the transfer and application of technologies that do not protect the environment. Agenda 21 emphasizes the need for the international community to support the networking of technology assessment institutions at national, subregional and regional levels for the exchange of information and expertise in technology assessment. A more participatory decision-making process is advocated, aiming at promoting communication and cooperation between international organizations, national and local governments and non-governmental organizations in the area of technology assessment.

60. The Advanced Technology Assessment System (ATAS) was established by the former Centre for Science and Technology for Development of the Secretariat as a vehicle for strengthening the scientific and technological capacities of developing countries through technology assessment and information exchange. Through ATAS, national and regional workshops are organized to assess specific technologies and to bring these assessments into the mainstream of development planning and decision-making. The results of these workshops and other activities are regularly published in the ATAS Bulletin.

61. With regard to workshops and meetings on assessment methodology and management, the International Expert Group Meeting on Technology Assessment, Monitoring and Forecasting was held in Paris from 25 to 28 January 1993 and the Regional Training Workshop on Technology Assessment and Management is to be held at Shanghai in June 1993. These meetings were organized by the Department of Economic and Social Development, in cooperation with UNESCO, UNDP and the Government of China, respectively.

62. Many developed countries have established organizational units for technology assessment. These units are usually situated within either executive or legislative branches of Governments and are intended to exert a direct influence on national decision-making. A number of technology assessment organizations have also been set up within developing countries, with varying degrees of institutional success. In general, developing countries need assistance with institution-building, including methodological and managerial training and networking.

63. During the International Expert Group Meeting in Paris, a special meeting of non-governmental organizations was organized to discuss the idea of creating an international non-governmental organization or network for technology assessment. The objectives would be to (a) mobilize technology assessment capacities in the service of sustainable development, particularly for the benefit of developing countries; (b) link the technology assessment capacities and initiatives of the developing countries to those of the developed countries; and (c) promote technology assessment in participatory decision-making processes in developing countries. The first session of the organizing committee of this new body will take place in Bergen, Norway in July 1993.

E. Collaborative arrangements

Establishment of a collaborative network of research centres

64. The International Environmental Technology Centre was recently inaugurated in Osaka, Japan, sponsored by UNEP and the Government of Japan. The Centre will provide information, training and consulting services on technologies used in environmental protection and enhancement of urban areas and freshwater lakes for the benefit of developing countries. 14/

65. The Global Change System for Analysis, Research and Training (START) was established to provide a conceptual framework for interconnected regional networks for research and training on global environmental change, its causes and effects. The START concept involves intraregional as well as interregional collaboration and entails the establishment of regional research networks. The purpose is to develop indigenous regional capacity to promote research on the regional origin and impact of global environmental changes. START efforts are funded by the Global Environment Facility (GEF) through UNDP as well as by voluntary contributions from national sources.

66. The Third World Academy of Sciences (TWAS) has indicated its intention to establish a network of 20 international centres for science, technology and environment for selected countries of Africa, Asia and Latin America. These would be centres of excellence providing among other activities, a large training programme aimed at increasing the number of scientists in developing countries. This initiative would support bridging the economic gap between developed and developing countries. These centres of excellence would also play a role in the preservation of the environment. 24/

67. Several countries (Egypt and Malaysia, for example) are undertaking initiatives focused on solving pressing problems related to food security and environmental pollution through such things as science parks and centres for

environmental technologies. Such centres undertake environmental research and development of environmentally sound technologies and provide information on environmental issues facing the country. They provide advice and technical services to government and the private sector by means of education, training and conducting conferences on subjects related to the environment. 25/

68. Business-to-business collaboration in establishing research facilities is also under way. For example, in 1991, several enterprises established the Research Institute for Innovative Technology for the Earth (RITE) in Japan. RITE conducts research and development on energy conservation, alternative energy technologies and technologies for the next generation.

69. Another research collaboration that involves the private sector (especially transnational corporations) is the traditional research and development links between companies and major universities. These links help develop new technological alternatives that meet voluntary industry or regulatory government environmental specifications. They also enable engineering and business management students to become involved in environmentally sound management and technology development from the earliest stages of their careers.

Support for programmes of cooperation and assistance

70. The International Council of Scientific Unions (ICSU) has initiated a project aimed at developing scientific and technological education in the context of sustainable development. This project would contribute to the establishment of an international framework to provide scientific guidance for developing environmentally sound and sustainable policies.

71. The UNESCO programme on science, technology and society has been designed to promote public awareness of the potential of science and technology to solve existing problems. Specific attention is paid to the importance of creating "new, moral foundations" for ecologically sound and economically sustainable development.

72. Examples of business-to-business support and cooperation include links between corporations and local subcontractors and suppliers. For example, the International Chamber of Commerce (ICC) encourages its members to carefully evaluate the environmental conduct of their contractors. 26/

Collaborative arrangements and partnerships

73. A Global Technology Partnership Initiative was launched in March 1993 to encourage the transfer of environmentally sound technologies and know-how to rapidly industrializing developing countries on commercial terms. 27/

74. The Business Council for Sustainable Development, in cooperation with the International Finance Corporation, UNDP and UNEP, is forming a government/business partnership to encourage and facilitate eco-efficient projects involving technology cooperation, particularly by means of high-level policy dialogue. An essential function of this partnership programme would be to identify technology gaps and new technologies and to identify obstacles to effective commercially based technology cooperation. 28/

75. The Organization of American States (OAS) adopted the Inter-American Program of Action for Environmental Protection. An important provision, among others, is directed towards promoting cooperation between developed and developing countries in the transfer of new and environmentally sound technologies. Particular emphasis is given to technologies that facilitate energy savings, especially in the transportation sector.

76. Three Japanese corporations created the "New Earth 21" project in conjunction with the Research Institute for Innovative Technology for the Earth (RITE) and the Japanese Government. "New Earth 21" aims at conducting research on biological carbon dioxide fixation through the use of microorganisms. 29/

77. A recent bio-remediation project for the first time involved private companies working with other engineering and construction firms, government agencies, and a major university to successfully transfer a new waste treatment technology from the laboratory to the field. 30/

78. A recent CFC-113 elimination effort involved a joint venture between Mexico and several outside concerns, in which a private telecommunications company voluntarily shared experience and managed a three-year training programme for Mexican industry. 31/

III. ISSUES CONCERNING THE FUTURE WORK OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT

79. For the Commission on Sustainable Development to give appropriate and full consideration to the implementation and review of issues related to the transfer of environmentally sound technology, cooperation and capacity-building, it may wish to consider ways and means of (a) coordinating intergovernmental discussions and decision-making on issues related to chapter 34 of Agenda 21, as appropriate; (b) ensuring that issues related to technology transfer and capacity-building are also taken up within the context of relevant thematic chapters of Agenda 21; (c) enlisting the contributions of the organs, organizations and bodies of the United Nations system; (d) requesting Governments to support the work of the Commission with respect, inter alia, to chapter 34 of Agenda 21; and (e) monitoring cooperation between Governments, international organizations and the private sector, giving special attention to new agreements, projects, programmes and activities that incorporate provisions for technology transfer and related capacity-building.

80. Many of the issues and programmes outlined in chapter 34 of Agenda 21, overlap with the mandates of other intergovernmental bodies within the United Nations, as well as with the mandates of the governing bodies of specialized agencies. The prominent examples among intergovernmental bodies are the Commission on Science and Technology for Development; the Commission on Transnational Corporations; and the Trade and Development Board of UNCTAD; all three have met since the adoption of Agenda 21. The Commission may wish to consider how best to interact with these bodies in ways that go beyond the transmission of reports and recommendations, in order to avoid duplication of effort and to ensure a coordinated policy. This might include, for example, the setting up of joint panels; the harmonization of work programmes; and joint interaction with the private and non-governmental sectors.

81. Other intergovernmental bodies of particular relevance to the Commission in relation to the issue of the transfer of environmentally sound technology, cooperation and capacity-building include the Industrial Development Board of the United Nations Industrial Development Organization, the Governing Council of the United Nations Environment Programme, the Commission on Human Settlements, the Governing Council of the United Nations Development Programme, with particular reference to Capacity 21, and the World Bank.

82. In particular, the Commission may wish to discuss the feasibility of intersessional meetings of its own Bureau with the bureaux of the Commission on Science and Technology for Development, the Commission on Transnational Corporations and the Trade and Development Board, as well as any others it may consider relevant. Such joint bureau meetings could coordinate the agendas of the intergovernmental bodies and generally harmonize consideration of issues concerning the transfer of environmentally sound technology, cooperation and capacity-building.

83. The need to develop information networks linking national, subregional, regional and international systems is specifically identified in chapter 34 and other chapters of Agenda 21. Indeed, the need for improved information and data-processing systems is evident in most chapters of Agenda 21 and may need to be addressed on a cross-sectoral basis. At the present time, several information systems and networks are in the process of being created - the Sustainable Development Network of UNDP, for example. While decentralized systems may reach more users than a single centralized system, there is a need for better coordination among systems and for standardization of data collection and retrieval. The Commission may wish to review the current situation and recommend modalities for coordination and standardization among various information systems related to the transfer of environmentally sound technology, cooperation and capacity-building.

84. The Commission may also wish to consider inviting Governments to prepare and submit information on their respective national situations, policies and programmes, as well as proposals related to selected topics, within the framework of chapter 34 of Agenda 21. Such reports would provide essential information against which future developments and progress could be measured more accurately. Particular attention could be given to intergovernmental and corporate agreements that provide for the transfer of environmentally sound technology, cooperation and capacity-building.

85. Capacity-building for technology transfer intersects with many programme areas covered by United Nations organizations. In addition, increasing numbers of non-governmental organizations are involved. The Commission may wish to recommend that bilateral and multilateral donors, as well as national Governments, ensure adequate financing for these capacity-building activities.

86. In the area of technology assessment, increasing attention needs to be placed on building and strengthening national capacities which link assessment to decision-making. Emphasis is also needed on coordinating the many different technology assessment activities within the United Nations system, centralizing information on similar activities being undertaken by national Governments, non-governmental organizations and the private sector, and standardizing methodologies for assessment. The Commission may wish to consider the need for

a focal point for technology assessment within the United Nations system which could serve both as a clearing house for information and referrals and oversee work on methodologies and their standardization.

87. Support and promotion of access to the transfer of technology is directly related to commitments made as part of the international agreements and conventions on the environment. These commitments are closely related to commitments on financing. The Commission may wish to consider how best to monitor the implementation of these commitments.

88. Finally, the Commission may wish to recommend measures to facilitate inter-agency activities for monitoring environmental emergencies resulting from the poor or inappropriate application of technologies, with a view to establishing an early warning system to avoid possible disasters. This could be considered in conjunction with the early warning systems developed by UNEP and other United Nations entities.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II. Throughout Agenda 21, the term "environmentally sound" means "environmentally safe and sound", in particular when applied to the terms "energy sources", "energy supplies", "energy systems" and "technology" or "technologies".

2/ Report of the Secretary-General on the utilization of energy technologies, focusing on policy issues and options for the effective transfer and application of environmentally sound energy technologies (E/CN.16/1993/9), paras. 40-41.

3/ Ibid., sect. II.C.

4/ For example, Principle 13 of the Business Charter of the International Chamber of Commerce reads: "to contribute to the transfer of environmentally sound technology and management methods throughout the industrial and public sectors". The Business Charter for Sustainable Development (Paris, International Chamber of Commerce, 1991).

5/ For example, 3M's current annual expenditure for research on environmental improvements in products and processes is about $100 million. Du Pont will have invested close to $1 billion for its research and marketing of chlorofluorocarbon alternatives by the end of the decade.

6/ See Environmental Management in Transnational Corporations: Report of the Benchmark Corporate Environmental Survey (to be issued as a United Nations publication in 1993).

7/ For example, according to the Manager of Marketing Analysis and Planning of M. W. Kellog, today's chemical industry allocates up to 15-25 per cent of the cost of a new plant to investments in environmental management. See Chemical Week, 20 January 1993.

8/ This diversification has been largely the effect of governmental regulatory pressures, especially in the industrialized countries. However, regulatory pressures are no longer the only cause of growing business and industry environmental awareness: the private sector is increasingly seeing the economic benefits of running a "green" company.

9/ Several large commercial banks have specific environmental guidelines for loans and investments. The Bank of America's environmental policies include withholding the Bank's resources from companies that engage in environmentally unacceptable operations and giving special consideration to businesses that benefit the environment. Other banks with similar environmental programmes are the Bank of Boston of the United States and Okobank of Germany. The latter was specifically created to support environmental markets; it prefers to invest in firms that focus on environmental prevention rather than environmental clean-up. See Investor Responsibility Research Center, Investor's Environmental Report, Summer 1991.

10/ For a discussion of market barriers to environmentally sound technologies and suggested market incentive options to reduce the barriers, see Technology Transfer: Options for Sustainable Development (to be issued as a United Nations publication in 1993).

11/ World Bank/International Finance Corporation. "Market for environmental goods and services will balloon in 1990's", World Bank News, vol. XI, No. 20 (21 May 1992).

12/ "From the ground up", Nation's Business, January 1991.

13/ Financial Times, 19 August 1992.

14/ See the note by the Executive Director of the United Nations Environment Programme on issues arising from the resolutions of the General Assembly at its forty-seventh session on the recommendations of the United Nations Conference on Environment and Development (UNEP/GC.17/27).

15/ Financial Times, 16 September 1992.

16/ J. Williams and U. Golub, From Ideas to Action: Business and Sustainable Development (Oslo, Gyledendal, 1992), p. 222. Written under the auspices of the International Chamber of Commerce.

17/ Presentation on Fiat's recycling programme made by Paolo Scolari, Vice-President of Fiat S.p.A., at the nineteenth session of the Commission on Transnational Corporations, in April 1993.

18/ See Touche Ross, Global Climate Change: The Role of Technology Transfer, a report for UNCED financed by the United Kingdom Department of Trade and Industry and the Overseas Development Administration, 1991; and Gordon MacDonald, "Technology transfer: the climate change challenge", The Journal of Environment and Development, vol. I, No. 1 (Summer 1991), pp. 1-39.

19/ Report of the Secretary-General on the organization of a coalition of resources to finance science and technology for development (E/CN.16/1993/10), sect. I.B.

20/ The Better Environment Awards are sponsored by the Environment Foundation, the Department of the Environment and Shell UK, and promoted by the Confederation of British Industry and the Financial Times. Among the awards presented in 1991 were a catalytic technology for destruction of chlorinated caustic effluent streams (developed by ICI); a liquid de-icer that is harmless to groundwater (developed by BP); an environmental management award (to the Body Shop) and a water-power turbine for irrigation that can be easily produced, maintained and used by developing country populations (developed by two independent consulting engineers).

21/ World Engineering Partnership for Sustainable Development, Information Paper, p. 1, and Agenda 21 Focus Group Summary, pp. 1-3.

22/ Arthur D. Little, Inc. and Business International, Managing the Global Environmental Challenge (Business International, New York, 1992).

23/ Shinji Fukukawa, "Japan's policy for sustainable development", Columbia Journal of World Business, Fall/Winter, 1992, pp. 96-105.

24/ The Third World Foundation of North America, "A program for sustainable development" (Hampton, Virginia, United States of America), p. 1.

25/ Malaysia Centre for Environmental Technologies, Information Paper, p. 4.

26/ See Business Charter for Sustainable Development (Paris, International Chamber of Commerce, 1991).

27/ The Initiative resulted from the Global Technology Partnership Conference, held in Birmingham, United Kingdom of Great Britain and Northern Ireland. It will run for three years.

28/ Business Council for Sustainable Development, "Work Program 1993", Information Paper (Geneva, Switzerland), p. 6.

29/ In Business, December 1992.

30/ BIC Journal, December 1989/January 1990.

31/ Northern Telecom, the Mexican Department of Urban Development and Ecology (SEDUE), the Mexican Federation of Private Sector Industry Associations (CANACINTRA), the United States Environmental Protection Agency and the United States-based Industry Cooperative for Ozone Layer Protection were involved in the joint venture.

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INITIAL FINANCIAL COMMITMENTS, FINANCIAL FLOWS AND ARRANGEMENTS TO GIVE EFFECT TO THE DECISIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT FROM ALL AVAILABLE FUNDING SOURCES AND MECHANISMS, INCLUDING THOSE REFERRED TO IN PARAGRAPH 33.14 OF AGENDA 21

Report of the Secretary-General

SUMMARY

The implementation of the sustainable development programmes of Agenda 21 will require the provision to developing countries of new and additional financial resources. In response to the request of the General Assembly in its resolution 47/191, the present report provides information on initial financial commitments, financial flows and arrangements to give effect to the decisions of the United Nations Conference on Environment and Development from all available funding sources and mechanisms.

The report analyses the agreement for the tenth replenishment of the International Development Association (IDA). It then turns to the Global Environment Facility (GEF) and discusses various issues related to its restructuring and the need for its replenishment. The report also addresses the matter of a number of recent developments with regard to the complex issue of enhancing the flow of official and private capital to developing countries. Recent developments with regard to debt relief are also discussed.

The report concludes with an assessment of the progress made so far with regard to funding for Agenda 21 and makes a number of suggestions related to the future work of the Commission on Sustainable Development in this important area.

* E/CN.17/1993/4.

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INTRODUCTION

1. The General Assembly, in its resolution 47/191, requested the Secretary-General, inter alia, to prepare, for the first substantive session of the Commission on Sustainable Development, reports containing information and proposals, as appropriate, on issues including initial financial commitments, financial flows and arrangements to give effect to the decisions of the United Nations Conference on Environment and Development from all available funding sources and mechanisms. The present report is submitted in response to that request.

2. Chapter 33 of Agenda 21 1/ had specified that funding for Agenda 21 and other outcomes of the Conference should be provided in a way that maximized the availability of new and additional resources and used all available funding sources and mechanisms, and had enumerated in that regard: (a) the multilateral development banks and funds, including the International Development Association (IDA), regional and subregional development banks, and the Global Environment Facility (GEF); (b) the relevant specialized agencies, other United Nations bodies and other international organizations; (c) multilateral institutions for capacity-building and technical cooperation; (d) bilateral assistance programmes; (e) debt relief; and (f) private funding (through non-governmental organizations). The chapter had also specified that investment should be encouraged and innovative financing explored. This report presents information on these funding mechanisms; however, information relevant to activities of specialized agencies, other United Nations bodies and multilateral institutions for capacity-building and technical cooperation is presented in other reports that are being submitted simultaneously. (See documents E/CN.17/1993/8 and E/CN.17/1993/10, as well as relevant parts of the report of the Governing Council of the United Nations Development Programme (UNDP) on its fortieth session.)

3. Regarding private funding, activities of the non-governmental organizations, investment and innovative financing specifically relevant for Agenda 21 objectives, the complexity of the issues and the lack of centralized sources of information did not permit systematic information collection. Regarding regional and subregional development banks, information received was insufficient for the purpose of analysis within this report.

I. TENTH REPLENISHMENT OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) 2/

4. By the end of June 1993, the resources made available to the International Development Association (IDA) during its ninth replenishment will have been committed. The process for the tenth replenishment concluded with the following agreement: to provide IDA, for the period from 1 July 1993 to 30 June 1996, with a tenth replenishment in the amount of SDR 13 billion (13 billion in special drawing rights). When combined with advance commitments against future repayments by IDA borrowers, this will permit a commitment authority of SDR 15.5 billion. This amount is likely to be further augmented by transfer from the net income of the International Bank for Reconstruction and Development

(IBRD) approved by the IBRD Board of Governors. The replenishment will enhance IDA's capacity to respond to Agenda 21.

5. For the coming period, it has been decided that IDA will continue its support to economic development in the poorest countries through a continued focus on poverty reduction, economic adjustment and growth, and environmental protection and improvement. These three areas are entirely consistent with the priorities of Agenda 21.

6. Regarding poverty reduction, country poverty assessments are to be prepared for all major IDA recipients by the end of 1994 with the involvement of Governments, and those assessments will be integrated into IDA's country assistance strategies and considered at consultative group and aid consortium meetings. In this context, social sector expenditures would be protected and social safety nets for those most vulnerable would be organized within the economic adjustment process, and IDA is encouraged to include specific poverty reduction measures in the design of adjustment programmes whenever feasible. Such poverty interventions are specially important in countries that are making the transition to a more market-oriented economy. IDA's poverty focus will be sharpened, with emphasis on social sector lending and poverty-targeted investments. Poverty reduction is to be monitored through the use of appropriate indicators and the results of poverty reduction policies are to be assessed. Special importance is to be given to the areas of women in development and population planning as keys to the effectiveness of poverty reduction programmes. Support for family planning and social services for women are to be expanded, including education for girls. Support to population programmes and family planning is to be further increased, as high rates of population growth represent a central challenge to the sustainability of development efforts, and limit the range of choices available to the population of the poorest countries.

7. Regarding economic adjustment and growth, the basic agenda is to combine policy reforms with institutional capacity-building, while, as noted above, building in social safety nets. Further emphasis is indicated on the reduction of non-development-related public expenditures, including military expenditures; the promotion of investments; the reduction of the constraint imposed by debt servicing on adjusting countries (through concessional treatment of official debt and use of the Debt Reduction Facility to fund the buyback of commercial debt); and the stimulation of private investment through increased infrastructure lending and assistance in developing supportive legal, regulatory and incentive frameworks, as well as on good governance in the implementation of sound economic policies.

8. Regarding environmental sustainability, policies and programmes for poverty reduction, mentioned above, constitute a first component of IDA's strategy. Policies, institution-building and investments targeted to environmental protection and improvement, which constitute the second component of the strategy, are being intensified through IDA's activities. Borrowers are being assisted in preparing environmental action plans (EAPs) through a participative process to promote national consensus around the plans: EAPs are to be integrated into the policy dialogue and country assistance strategies. Environmental assessments are being carried out early in the project design cycle, and borrowers are required to consult with groups and non-governmental

organizations affected by the environmental impact of the project. Efforts are being made to improve data sheets and make them more uniform. In the area of forestry, forestry investments are required to be part of a borrower's strategy for sustainable use and conservation of forest resources, and commercial logging in primary moist tropical forests is no longer funded. The focus is now on assistance to Governments for institution-building for sustainable forest management. New directives provide clearer guidance on projects involving indigenous people, involuntary resettlement and agricultural management, and policy papers are being issued regarding water resources, energy and various aspects of agriculture. The involvement of non-governmental organizations in the design and implementation of projects, particularly those with substantive environmental impact, is being substantially increased. The establishment of a small projects facility, to focus on environmental initiatives and on outreach to groups such as non-governmental organizations and micro-enterprises, is being envisaged.

9. In the implementation of the activities outlined above, the share of resources allocated to adjustment lending is not to exceed 30 per cent, so that the emphasis on poverty reduction and the protection of the natural resource base can be maintained. The importance of coordination of IDA activities with bilateral support and the International Monetary Fund's Enhanced Structural Adjustment Facility is stressed.

II. GLOBAL ENVIRONMENT FACILITY: RESTRUCTURING AND REPLENISHMENT 3/

10. The purpose of the Global Environment Facility (GEF) is to provide additional grant and concessional funding of the agreed incremental costs for achieving agreed global environmental benefits. It finances activities in four focal areas: global warming, biological diversity, ozone depletion and international waters. The first three areas are covered by international conventions.

11. The GEF was established for a three-year pilot phase by resolution No. 91-5 of IBRD (March 1991). Its establishment was subsequently endorsed by the Governing Councils of UNDP and the United Nations Environment Programme (UNEP) (May 1991). Operating procedures were agreed by the executive heads of these three bodies, known as the Implementing Agencies (October 1991).

12. During its pilot phase, the GEF has been functioning under the collective policy guidance of its Participants, namely States that have contributed to the Facility or expressed the intention to do so. At each of their regular meetings, GEF Participants review and broadly endorse successive "tranches" of a work programme prepared jointly by the Implementing Agencies and submitted to the meeting by its Chairman. In connection with this programme review, Participants may comment on specific projects in the work programme.

13. The GEF Participants are supported in their functions of policy guidance and programme review by a Scientific and Technical Advisory Panel (STAP), composed of 16 independent members. The STAP has drawn up criteria for eligibility and priorities for projects in the GEF work programme. The STAP also reviews individual projects submitted by the Implementing Agencies and

offers advice on the subject of their conformity with its criteria and priorities.

14. Projects in the GEF work programme remain the responsibility of the Implementing Agencies concerned. This responsibility is allocated according to an agreed division of labour by type of project. The three Agencies, together with the GEF Administrator, make up the Implementation Committee, which approves the inclusion of projects in the GEF work programme.

15. The Chairman of the GEF Participants' Meetings plays a key facilitating role in the GEF system, supported by the GEF Administrator and his staff.

16. The resources available to the three-year pilot phase of the GEF amounted to some US$ 880 million in the core fund and $350 million in bilateral financing arrangements, totalling US$ 1,230 million. An initial guideline was given by the GEF Participants concerning the allocation of core funds among the four focal areas. The GEF work programme, as it stood in December 1992 at the time of the submission of the fourth tranche of projects, contained 96 projects worth some US$ 700 million.

A. Restructuring of the GEF

17. Agenda 21, the United Nations Framework Convention on Climate Change (A/AC.237/18 (Part II/Add.1), the Convention on Biological Diversity and the document entitled "The pilot phase and beyond", agreed by the GEF Participants, all call for a restructuring of the GEF and recommend, regarding its governance, universal participation; a transparent and democratic system of decision-making; a broad, balanced and equitable representation of developing and developed countries in governance and guidance of the Facility; and a system guaranteeing a balanced and equitable representation of the interests of developing countries and giving due weight to the funding efforts of donor countries. The primacy of each Convention with respect to decisions on policy and programme priorities, eligibility criteria and guidelines for project formulation regarding activities in its respective area is recognized.

18. The process initiated by these policy orientations led to the formulation of comprehensive proposals that are to be discussed at the fifth Participants' Meeting, to be held in Beijing, China, from 26 to 28 June 1993.

19. At the centre of the proposals is both the goal of balancing the plurality of interests inherent in universal participation, and the need for giving due weight to donors' funding efforts, in a process that is transparent, balanced and equitable.

20. The main components of the restructuring concern:

(a) Establishment of a Participants Assembly (PA) and the modalities of its deliberations and decision-making;

(b) Formal links to be established between the Conferences of the Parties (COPs) of the Conventions, and the PA.

21. As in the past, subject to the outcome of the ongoing independent evaluation of the pilot phase, the work of the PA will be facilitated by a Chairperson supported by a secretariat composed of staff from all three Implementing Agencies. The PA will be assisted in its work by the advice of a Scientific and Technical Advisory Panel (STAP). The STAP will be restructured and reconstituted to broaden its cross-disciplinary capabilities. The heads of the Implementing Agencies will meet periodically to review institutional strategy and discuss means to facilitate inter-agency collaboration. The Implementation Committee (IC), consisting of agency coordinators and other senior staff, will continue to focus on internal policy, programme planning, and work programme formulation. Projects will be executed by Governments, agencies of the United Nations system, non-governmental organizations, the private sector, and partnerships among any of these parties.

22. The Participants' Assembly (PA) will act as the governing body of the GEF. It will be restructured to accommodate universal participation with no pre-set membership fee, and it will function under a constituency system aiming at efficient and effective deliberations. Decision-making in the PA will be primarily by consensus. An agreed voting system will be instituted in order to resolve issues on which consensus cannot be reached.

23. A number of principles have been agreed that are to guide PA decision-making, including:

(a) Equitable and balanced representation;

(b) Transparent procedures;

(c) Simplicity and flexibility;

(d) Universal participation.

24. The PA will be established on a constituency basis so as to facilitate deliberations. This will require agreement among groups of Participants. It is anticipated that some 30 constituencies will be formed. The following distribution is envisaged:

(a) At least 15 (50 per cent) of the constituencies would be represented by developing countries in the PA;

(b) The balance of representatives in the PA would be drawn from developed countries, countries with economies in transition, and other countries.

25. The following factors may be taken into account in identifying representatives of constituencies to participate in the PA on behalf of those constituencies:

(a) Regional and geographical balance as well as climate, biodiversity, resource endowment and economic structures;

(b) Potential impact on the global environment;

(c) Vulnerability to impacts of global change;

(d) Size of economies (gross domestic product) (GDP)) and level of funding made available to the GEF.

26. Participants' Assembly meetings in which all countries will be expected to attend are also being given consideration.

27. Decisions will, in principle, be taken by consensus. When consensus cannot be achieved, even after various actions that the GEF Chairperson may be authorized to pursue, it will be necessary to organize a vote.

28. Voting would be distinct from constituency membership. Regarding the voting system, in addition to options previously envisaged for the case in which no consensus emerged, a new option is proposed for the consideration of the last restructuring meeting, namely, a double majority system, whereby decisions would require both a majority of all countries participating in the GEF and one based on all financial contributions to the GEF core fund. The majority could differ depending upon the type of decision to be voted upon.

B. Replenishment of the GEF

29. Most of the funding made available to the GEF for its pilot phase is expected to be fully committed by June 1994. Potential donors agreed at a meeting held in Rome in March 1993 to work towards completing replenishment negotiations by December 1993, provided that the GEF is appropriately restructured and the evaluation of the pilot phase completed.

30. The first formal replenishment meeting was scheduled to take place in Beijing, China, on 25 May 1993. Important aspects of the replenishment have yet to be resolved, in particular its size and the period over which the resources will be used. The objective of the new GEF programme is in large part to serve the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity. There is therefore a need to coordinate its mandate and use of funds, with entry into force of the conventions of the COPs that are to decide on policies, programme priorities and eligibility criteria for financial mechanisms in relation to the conventions. The first meeting of the COPs is expected to occur in 1995.

31. A proposal submitted to the Beijing Participants' Meeting recommended that the new programme (GEF II) begin in July 1994 and that its operations be divided into two stages.

32. The first stage would be a transitional one, covering the period prior to the convening of the COPs some time in 1995. During this stage, GEF commitment levels would remain at around the average for the pilot phase. Some time after the conventions have entered into force, the GEF II would enter its second stage, when most of the funds would be committed. GEF operations would then be guided by the COPs. In terms of size, a range of SDR 2-3 billion, equivalent to US$ 2.8 billion-US$ 4.2 billion, is currently proposed for consideration by donors. The time-period would be three to five years, depending on whether the replenishment was closer to SDR 2 billion or SDR 3 billion.

33. Since the conventions will not yet be in force and the COPs will not yet have met, some flexibility will need to be built into the replenishment decisions to allow the GEF to respond to priorities as they are set by the conventions.

34. This phasing would allow the GEF to maintain the momentum of the pilot phase, while enabling the bulk of the funds from the replenishment to be committed only after the COPs entered into force. At the same time, it would allow for the preliminary preparation of projects and activities before the GEF entered its second stage. Preparation of technical assistance and investment projects must begin well before stage two, in light of the intensive 12- to 18-month project preparation period. The initial funding decisions in GEF II will be taken on projects that have been prepared during the pilot phase. Project preparation will take into account any guidance emanating from the interim bodies of the conventions during the first stage of GEF II.

35. GEF II resources would continue to support the four focal areas currently funded by the pilot phase: global warming, biodiversity, international waters, and ozone depletion. To the extent that they related to these four areas, land degradation issues, primarily those of desertification and deforestation, would be eligible for financing.

36. The replenishment of the GEF should enable it to:

(a) Support the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, as well as, in a complementary role, the Montreal Protocol on Substances that Deplete the Ozone Layer;

(b) Assist in building up capacities of developing countries to deal with policy and programme matters arising out of those countries' commitment to the Conventions;

(c) Play a continuing role in facilitating the introduction of new environmentally sound technologies in the developing world;

(d) Achieve the scale and management capacity to contribute effectively to the solution of the global environmental problems that the GEF is assigned to address.

37. GEF II would finance four broad types of activities based on the objectives of the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change and the obligations deriving therefrom, as well as from lessons learned from the pilot phase; accepted knowledge and scientific expertise from UNEP and advisory panels about how to effectively address the four global environmental problems; and pending guidance from the COPs. These activities would include: capacity-building; national studies, strategies, and inventories; innovative projects; and investment projects. In addition, the Small Grants Programme could be used to support innovative approaches designed by local communities and non-governmental organizations.

38. Together, these four types of activities represent a comprehensive, efficient way to strengthen a country's capacity to develop and implement its strategy for meeting convention objectives. Some funds could also be allocated

for applying relevant, new scientific research to GEF activities, particularly to improve the scientific underpinnings of GEF project selection and design.

39. The mix of these activities could vary across the global objectives. The bulk of the funds could be expected to be used to support the objectives of climate change and biodiversity. For ozone layer protection, the GEF could fund capacity-building efforts and investments only in signatory countries that are ineligible for funding from the Interim Multilateral Fund for the Implementation of the Montreal Protocol. In the area of international waters, GEF II could provide some support to countries that are already committed, through existing global or regional agreements and initiatives, to improving management of this vital resource.

III. OFFICIAL AND PRIVATE CAPITAL FLOWS 4/

40. The adequacy of external capital flows is a major external factor affecting the development prospects of developing countries. Official flows are an important supplement to private capital flows.

41. Although estimates of the flow of official development assistance (ODA) in 1993 are not yet available, no sharp break in the trend of recent years is expected, at least not yet. Under that trend, the total value of ODA rose in dollar terms, reaching an estimated $60 billion in 1992. The amount fluctuated, however, in real terms.

42. Underlying this long-run trend has been a pattern of flows from donor countries in the 1980s that may now be changing. Under that pattern, ODA from member countries of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development grew by 2.4 per cent a year on average, while concessional economic assistance by Arab donor countries fell, followed by declining flows from the former centrally planned economies as well. The capacity of the latter two groups to provide ODA is now considered to be quite limited. Aid from Arab donors is expected to remain significant, but to decline further, while for the time being the economies in transition have a much-reduced capacity with respect to major aid programmes.

43. The outlook for the growth of aid from industrialized countries is bleak. The situation is one of constrained supply and increased demand for funds. The constraints on supply emanate from budgetary problems of a number of key donors and, to some extent, from weakening support for aid on the part of national parliaments. The increased demand for funds stems from new challenges that require concessional assistance to low-income countries, including expanded efforts to protect the environment. Moreover, there are several new claimants to concessional resources.

44. Despite this increased demand for ODA, many bilateral donors have cut back on their aid programmes in response to budgetary pressures. This has caused a further shortfall with respect to target ODA flows of 0.7 per cent of gross national product (GNP) re-endorsed at the United Nations Conference on Environment and Development. Amid current trends, there is no real prospect that the target will be reached in a reasonable period.

45. A number of Governments have indicated an increase in resources available within their ODA for activities relevant to sustainable development and environmental programmes. In this context, the decision by the European Community and its member States to commit an amount of $3 billion in European currency units (ECUs) for activities in implementation of Agenda 21 should be mentioned.

46. Private flows are crucial to the development efforts of middle-income countries and of growing importance in a number of low-income countries as well. There has been a large increase in flows of private capital to developing countries in recent years. At $37 billion in 1992, foreign direct investment flows to developing countries were about 75 per cent above the level of 1990. Private portfolio flows, which had averaged less than $6 billion a year in the period between 1982-1988, were estimated at $34 billion in 1992. It is interesting to note that private flows have changed, in terms of composition, from debt to equity financing and shifted from bank to non-bank sources in recent years. Non-bank sources have accounted for virtually all the recent growth in financial flows to developing countries.

47. These developments have benefited countries that are creditworthy. Some 10 countries received over 70 per cent of foreign direct investment flows in 1991, and the increase in private portfolio flows is highly concentrated in a few countries in Latin America and East Asia. Numerous middle-income and lower-middle-income countries find that their access to private external finance is limited.

IV. DEBT RELIEF

48. The debt crisis that began over a decade ago is no longer a problem for commercial banks, and developing-country debt no longer constitutes a systemic threat to the international banking system. The crisis is also less of a problem for several middle-income borrowers that have benefited from debt-restructuring operations and lower interest rates. Nevertheless, these countries remain vulnerable to adverse developments in their external economic environment. External viability remains a problem, however, for many low-income and lower-middle-income countries. The difficulties of moving from a centrally planned economy to a market-based one have also led to major debt problems in the successor States of the former Union of Soviet Socialist Republics and in some East European countries.

49. With regard to debt reduction, a number of recent developments are noteworthy, particularly the agreement of December 1992 between Argentina and its commercial banks, supported by World Bank loan commitments of $750 million, that will help achieve a commercial debt reduction in the amount of about $11 billion, which is 37 per cent of the face value of the eligible principal debt and the past interest due to the commercial banks. In another important development, the Philippines and its commercial-bank creditors arrived at an agreement in December 1992 on the second phase of the commercial-bank part of its overall external debt reduction strategy. About $4.4 billion was eliminated or converted. Equally significant was Brazil's agreement with its commercial-bank creditors. By March 1993, creditors representing 97 per cent of

Brazil's outstanding commercial bank debt had decided to participate in its debt-rescheduling programme.

50. In this context, it is important to note that the World Bank strategy dealing with countries with protracted arrears has been successfully implemented in the case of Peru. Three adjustment loans totalling $1.15 billion were signed in December 1992. Some $900 million were disbursed in March 1993 under these loans, after the Government cleared its arrears with the World Bank. The World Bank has now resumed its normal lending relationship with Peru.

51. Significant progress has also been made under Paris Club auspices with regard to a number of low-income countries, including agreements involving enhanced Toronto terms.

52. Operations within the IDA Debt Reduction Facility have increased sharply. They have been co-financed with a number of bilateral donors. Four operations totalling about $35 million have been completed with Guyana, Mozambique, the Niger and Uganda at an average cost of US$ 0.12 per dollar of debt. The operations have extinguished 89 per cent of the commercial debt of these countries.

53. A portion of IDA reflows has been used under the "fifth-dimension" programme to provide supplementary adjustment credits to countries that are currently IDA-only borrowers and have outstanding IBRD debt. Through annual allocations (in proportion to interest payments due to IBRD), the supplementary IDA credits have helped ease the debt-service burden of eligible IDA-only borrowers undertaking adjustment programmes. Between fiscal year 1989 and fiscal year 1992, some SDR 400 million were allocated for this purpose. For the current fiscal year supplementary IDA credits totalling SDR 121 million, or 70 per cent of interest payments due to IBRD from the beneficiary countries, have been approved. In addition, a number of bilateral donors are providing parallel financing in support of the fifth-dimension programme.

V. CONCLUSIONS AND RECOMMENDATIONS

54. There have been a number of individual positive developments regarding the funding of Agenda 21. These include the following:

(a) The replenishment of IDA, in spite of the lack of consensus on an "Earth increment", is substantial and will enable this institution to pursue the objectives of Agenda 21;

(b) The process of restructuring and replenishing the GEF is under way and, it is hoped, will be satisfactorily completed by the end of the year. An update after the forthcoming Beijing meeting will be provided to the Commission on Sustainable Development;

(c) The World Bank and regional banks are intensifying their activities in the area of sustainable development;

(d) Positive debt-relief agreements were concluded in a few cases;

(e) A number of bilateral donors have announced increases in funding available for environmental activities;

(f) The commitment of 3 billion ECUs for activities for the implementation of Agenda 21 constitutes a favourable step.

55. The general response so far observed to the recommendations of the United Nations Conference on Environment and Development regarding funding is, however, not encouraging, that is to say:

(a) Many bilateral donors have cut back on their aid programmes in response to budgetary pressures, causing a further shortfall with respect to target ODA flows of 0.7 per cent of GNP. This raises questions regarding the additionality of funds available for environmental programmes. The trend should be reversed as soon as possible;

(b) Many low-income and lower-middle-income countries still have an unsustainable debt burden and require urgent additional measures regarding debt relief. In particular, low-income countries need to benefit to an increased extent from enhanced Toronto terms;

(c) Further progress needs to be made to increase effectiveness in the use of funds and the mobilization of domestic financial resources;

(d) While a number of donors have committed resources for the UNDP initiative for sustainable development (Capacity 21), aggregate funds available to it remain well below requirements;

(e) Agencies within the United Nations system are being given increasing mandates, but the resources made available to them are stagnating and their budgets are constrained by a zero-growth rule that makes their functioning increasingly difficult.

56. The Commission on Sustainable Development has a number of functions that involve the review and monitoring of information to be provided by Governments as well as intergovernmental and non-governmental organizations regarding the implementation of Agenda 21, and the provision of funding for that purpose, as well as progress towards the target of 0.7 per cent of GNP of developed countries for ODA. The modalities for providing information to the Commission and the format in which information is to be provided are therefore of critical importance for the fulfilment of these functions.

57. The Commission may wish to consider this issue with a view to deciding on the modalities and format of communications of the above-mentioned entities. As a basis for discussion, it is suggested that the main elements of communications should include ODA as a percentage of GNP, debt relief, aid priorities, main activities related to sustainable development, and specific support to environmental conventions. (The addendum to this report presenting information provided by Governments is organized accordingly.)

58. The data systems used for collecting information on the flow of finance classify that flow in a manner that makes difficult its correlation with the programme structure of Agenda 21. The Commission could consider inviting

countries that provide finance, and coordinating organizations (like the Development Assistance Committee of OECD) that collect information, to redesign their classificatory schemes so as to make possible the assessment of the flow of development finance in relation to specific Agenda 21 clusters.

59. Discussions about the adequacy of the flow of development finance are often conducted without reference to any assessment of needs. Assessment at an overall macroeconomic level (for example, in relation to the 0.7 per cent target) is useful for monitoring purposes; but in order to influence the processes where specific commitments are made, it is necessary to conduct this exercise at a more disaggregated level. Country-level assessments of this nature are prepared for round-table meetings and meetings of aid consortia. Global or regional assessments, across countries for specific issues (for example, freshwater or forests), that evaluate availability of finance in relation to objectives are prepared in some cases mainly by funding organizations. The financial mechanisms linked to certain global conventions are issue-oriented, global in nature and involve a broader process that includes recipient countries in the dialogue.

60. The Commission on Sustainable Development may wish to consider the establishment of appropriate mechanisms to make agreed assessments of availability, need and related policy matters in relation to the financial requirements of the different parts of Agenda 21. Such agreed assessments at the issue level could guide the further discussions of the Commission and provide a suitable and common basis for further action by bilateral and multilateral funding organizations. They would provide a basis for discussion on replenishment of specific facilities, for setting of priorities for aid programmes and for monitoring of financial matters by the Commission on Sustainable Development. Specific pledges and commitments would continue to be made in the discussions between funding organizations and individual recipients.

61. One possibility that the Commission may wish to consider is the establishment of a series of ad hoc groups oriented around the Agenda 21 clusters approved for the work programme. Each group could consist of professional experts named partly by countries, and partly by international financial institutions and concerned specialized agencies. The groups should be compact and professional in their orientation. Their objective would be to prepare a report (separately for each of the clusters into which Agenda 21 has been grouped for the purposes of the work programme) on needs, adequacy of existing flows and mechanisms and related policy matters. It must of course be understood that the process of securing commitments for Agenda 21 activities would continue to operate in the normal way even while the ad hoc groups were in process.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

2/ Information presented in this section was drawn from a report, approved by the Executive Directors of the World Bank, entitled "Additions to IDA resources: tenth replenishment".

3/ Information presented in this section was drawn from documents prepared by the GEF for the Participants' Meeting convened in Beijing, China, in May 1993. One was entitled "Decision-making in the restructured GEF" (GEF/PA.93/1); and the other, a GEF replenishment paper, was on financing needs for GEF II (GEF/RE.93/1).

4/ Information presented in this section was drawn from information provided by Governments; World Economic Survey, 1993 (United Nations publication, forthcoming); and the 1993 report of the Chairman of the World Bank to the Development Committee.

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INITIAL FINANCIAL COMMITMENTS, FINANCIAL FLOWS AND ARRANGEMENTS TO GIVE EFFECT TO THE DECISIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT FROM ALL AVAILABLE FUNDING SOURCES AND MECHANISMS, INCLUDING THOSE REFERRED TO IN PARAGRAPH 33.14 OF AGENDA 21

Report of the Secretary-General

Addendum

Information provided by Governments on initial financial commitments, financial flows and arrangements to give effect to the decisions of the United Nations Conference on Environment and Development

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I. OFFICIAL DEVELOPMENT ASSISTANCE (ODA) LEVELS 1/

1. Official development assistance (ODA) levels for various countries are given below.

Country	Financial year	Amount	Percentage of gross national product (GNP)
Australia	1992/93	A$ 1.384 billion 2/	0.36
Denmark	1992	US$ 1.35 billion 3/	1.00
Finland	1992	Fmk 3 billion 4/	0.62
Iceland	1993		0.13
Ireland	1993		0.20
Japan	1991	US$ 11.034 billion 3/	
Netherlands	1993		above 0.7
Norway	1992		above 1.00

II. DEBT RELIEF

A. Canada

2. Canada has sought new mechanisms of funding for sustainable development, and in this regard offered to convert $145 million of official development assistance (ODA) debt held by Latin American countries into local currency for environment and sustainable development projects.

B. Germany

3. The German Government has waived considerable amounts of the debt incurred under development assistance. A total of DM 9 billion (9 billion deutsche mark) has so far been waived in the case of the least developed countries and other highly indebted low-income countries. In connection with the United Nations Conference on Environment and Development, the German Government has also created the possibility of waiving claims on other poor countries through a rescheduling arrangement in the Paris Club, if funds in local currency are then channelled into the environmental sector. The 1993 budget appropriation for this purpose is DM 50 million. Bolivia and Honduras will probably be the first to benefit from this option.

4. Since December 1991, the German Government has been waiving, within the enhanced Toronto terms, and on a case-by-case basis, 50 per cent of claims incurred from state-guaranteed commercial loans for particularly poor highly indebted developing countries. Through its membership in the International Monetary Fund and the World Bank, the German Government also indirectly supports the Brady Initiative on debt reduction measures for bank loans (reductions of between 35 and 84 per cent); a total of US$ 40 billion has been waived so far.

III. AID PRIORITIES

A. Australia

5. Australia's ODA is guided by the following principles:

(a) Full participation in decision-making by those most affected by the development process;

(b) Management of renewable resources on an ecologically sustainable basis;

(c) Equitable distribution of benefits from the exploitation of resources;

(d) Intergenerational and intragenerational equity;

(e) Provision for rehabilitation of areas affected by exploitation of resources;

(f) In situ conservation of biological diversity (namely, natural habitats and ecosystems), supplemented by ex situ conservation measures such as gene banks;

(g) Protection of the health and communities of workers by adoption of standards recommended by the World Health Organization (WHO);

(h) In 1992/93 Australia's contribution to the multilateral development banks is expected to be A$ 150 million or 10.8 per cent of its ODA.

B. Canada

6. Support for sustainable development and environment planning is a priority for Canada's development assistance programme, and a number of projects, which Canada considers highly successful, are currently under way (major initiatives include projects in Indonesia, Zimbabwe and Pakistan).

C. Denmark

7. As a supplement to the 1 per cent ODA/GNP ratio and in order to strengthen the Danish contribution to solving international environmental problems and to ensure the necessary assistance in international emergency situations, the government budget for 1993 introduced a new budget line. The intention is to gradually increase the financial allocation within these areas to 0.5 per cent of gross domestic product (GDP) in the year 2000.

8. The decisions of the United Nations Conference on Environment and Development have encouraged a focus on capacity-building and national environmental strategies. More emphasis is being given to the relationship between project objectives and the institutional set-up for projects and programmes.

D. Finland

9. Finland has set three principal objectives for development cooperation:

(a) Alleviating poverty;

(b) Combating global environmental threats by supporting developing countries in their efforts towards achieving this goal;

(c) Promoting democracy and human rights.

E. Germany

10. The percentage of projects with a special emphasis on the environmental component has increased substantially over the last few years. In 1993, the figure will be DM 1 billion, which represents over one quarter of total commitments. The DM 1 billion includes DM 300 million for forest conservation and related development activities (representing the same level as in previous years). Germany believes that since its development activities are primarily intended to provide for basic needs (planned commitment for 1993: 52 per cent of the total funds available), to support rural development (39 per cent) and to reduce poverty through self-help-oriented projects (9 per cent), its aid programme is very much aligned with the objectives of Agenda 21. 5/

F. Iceland

11. Bilateral aid is provided by the Icelandic International Development Agency (ICEIDA), mostly under programmes related to sustainable natural resource management, in particular research, education and training in fisheries.

G. Ireland

12. The priority focus of Irish aid is human development and the priority area of operation is sub-Saharan Africa. Criteria for sustainable development are being systematically implemented in project work in cooperation with recipient countries. Requests for assistance in the preparation of national reports and national Agenda 21 action plans will be sympathetically considered within the context of increasing capacity-building in recipient countries.

H. Japan

13. Asia is the priority region for Japanese assistance. Regarding regions other than Asia, Japan acknowledges that it is also necessary to be mindful of the poverty and economic difficulties in the world as a whole. Therefore it plans to extend cooperation to Africa, the Middle East, Central and South America, Eastern Europe and Oceania.

14. Japan has identified various priority issues with respect to its aid. Among them is the global approach to problems such as the environment and

population. Moreover, emphasis is being given to basic human needs aid and emergency aid. Importance is also attached to cooperation in improving and disseminating technology through human resources development and research cooperation. Finally, construction of infrastructure and structural adjustment are being considered priority issues.

I. Norway

15. The main objective for Norwegian development assistance is to contribute towards permanent improvement in the living conditions of inhabitants in developing countries. The development assistance is poverty-oriented, and emphasis is put on avoiding dependence on continued assistance. The main part of the assistance is allocated on a grant basis, and it is untied. A minor part is directed towards humanitarian emergency operations. A significant part of Norwegian development assistance, about 50 per cent, is distributed through multilateral channels.

J. United Kingdom of Great Britain and Northern Ireland

16. The United Kingdom's priority objectives for official development assistance are:

(a) To promote economic reform and longer-term economic growth;

(b) To promote good government;

(c) To help developing countries define and carry out poverty reduction strategies;

(d) To promote human development, including better education and having children by choice;

(e) To promote the social, economic, legal and political status of women in developing countries;

(f) To help developing countries tackle national environmental problems.

IV. MAIN ACTIVITIES AND FUNDING RELEVANT TO SUSTAINABLE DEVELOPMENT

A. Australia

17. Australia undertakes a range of development cooperation projects specifically aimed at achieving benefits for the environment. The principal vehicle for environmental activities under the aid programme is the Environment Assistance Programme (EAP). In the 1991/92 budget, the Australian Government provided total funding for the EAP in the amount of A$ 80 million over the four-year period from 1991/92 to 1994/95. Expenditure on environmental activities in 1992/93 is expected to be more than A$ 28 million.

18. Major areas of focus within the EAP are population, forestry, climate change, biodiversity, environment and conservation management.

19. Assistance programmes that address environmental objectives include the Development Import Finance Facility (DIFF), which assists Australian exporters to compete with foreign competitors for developmentally worthwhile projects. The programme combines development grant funds with concessional loans provided through the Export Finance Insurance Corporation (EFIC).

20. Under the total allocation to DIFF of A$ 120 million in 1992/93, it is estimated that A$ 12 million will be channelled into environmental projects. The major recipients of DIFF assistance are Indonesia, China, and India, with other recipients including Thailand, Bangladesh and other Asian countries as well as countries in the Pacific and Africa.

21. The 1992/93 budget also provided A$ 1.5 million for the non-governmental organization environment initiative that has been allocated to 28 environment and development projects undertaken by non-governmental organizations in developing countries. Through the EAP, Australia contributes to the International Tropical Timber Organization.

B. Austria

22. In the framework of the Global Environment Facility (GEF) pilot phase (1991-1993), Austria contributed $400 million (400 million Austrian schillings) (approximately US$ 35 million), which were disbursed into the main fund of GEF, the so-called Global Environment Facility trust fund.

C. Canada

23. Canada continues to mobilize official development assistance resources to support developing countries in meeting the objectives of Agenda 21. Canada is increasing its support to developing countries in the areas of sustainable development and Agenda 21 objectives within the context of its overall development assistance.

24. The mandate of the International Development Research Centre (IDRC) will be enlarged to encompass sustainable development and to help ensure a rapid start to the implementation of Agenda 21. IDRC receives annual funding of $115 million from the Government of Canada. These funds support a wide range of sustainable development-related programmes and projects in such areas as biodiversity, food security and environmental health impacts systems as well as research (on, inter alia, sustainable development indicators). IDRC is also developing a variety of information systems, including United Nations Conference on Environment and Development archives on compact disk read only memory (CD Rom) (as a joint effort with the United Nations Secretariat which provides all substantive inputs), and a range of electronic networks.

25. Canada has created the International Institute for Sustainable Development in order to promote a better understanding of the linkages between sustainability, competitiveness and prosperity in an international context.

26. A $10 million International Model Forests Network has been launched, which in the first phase involves three developing countries. Canada will host a Conference on Security and Cooperation in Europe (CSCE) conference on temperate and boreal forests in September 1993. Canada disburses $115 million annually in development assistance for forest-related projects. Following up its commitment to the protection of the oceans (see chap. 17 of Agenda 21), Canada hosted a meeting in Saint John's, Newfoundland, in preparation for the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. Furthermore, Canada has offered to host a meeting of experts in 1994 to update the Montreal Guidelines for the Protection of the Marine Environment Against Pollution from Land-based Sources, as part of the process leading to a conference on land-based sources of marine pollution.

27. Canada reconfirms its strong commitment to the United Nations Environment Programme (UNEP), and has doubled its annual contribution. Finally, Canada recently hosted an informal meeting of environment ministers in Magog, Quebec, to discuss priorities for the work of the Commission on Sustainable Development in the coming year.

28. Canada, through the Organisation for Economic Cooperation and Development (OECD), is leading the development of analytical and planning tools for capacity development in environment. Furthermore, Canada will be hosting in October 1993 an OECD workshop on National Plans for Sustainable Development, and is providing funding for developing country participation. Through IDRC, Canada is actively involved in a series of international workshops on sustainable development planning for multi-stake holders. IDRC has also been helping to establish a United Nations Development Programme (UNDP) sustainable development network. Finally, Canada is contributing $2 million to UNDP's Capacity 21 initiative, which will help developing countries prepare national sustainable development plans.

29. Canada's progress in meeting its United Nations Conference on Environment and Development commitments in the fields of technology transfer, cooperation and capacity development has advanced along a variety of fronts. The scope of these efforts ranges from helping other countries to develop their own national plans for sustainable development - and providing them with the ability to analyse and interpret technical data for monitoring and managing resources - to supporting regional scientific research efforts that will help less developed countries build their own capacities for conducting the science and applying the technology that will enable them to carry out their national plans.

30. IDRC has been given an expanded mandate to assist in the infusion of sustainable development research and technological capacity into developing countries. In response, IDRC has identified six priority themes to fulfil its new role over the next three years. One of the six is "Technology and the Environment". An IDRC working group has been established to plan and manage activities in this field.

31. The Canadian International Development Agency (CIDA) has established an Industrial Cooperation Program which is managing numerous transfers of technology involving food science testing; Geographical Information System (GIS) resource inventories; and waste management techniques for application to petroleum, mineral and medical wastes.

32. Canada is preparing a complete inventory of all federal programmes that are following through on the commitments made at the United Nations Conference on Environment and Development. Among other things, this strategy will consider the capacity of Canadian industries and institutions to build capacity and transfer technology to less developed countries. Canada is also involved in the Inter-American Institute for Global Change Research, a regional organization that will be building capacity and transferring the necessary technologies to countries throughout the Americas to conduct scientific research. The Institute's scientific experts have set a research agenda that addresses changes to tropical and temperate ecosystems; biochemical cycles; biodiversity; high-latitude processes; El Niño Southern Oscillation weather patterns; and relationships between ocean, atmosphere and land processes.

33. The Canadian Office for Training in the Environment was established in 1992 in recognition of the global priority accorded to the transfer of environmental technologies to less developed countries, and the role that Canadian expertise could play with respect to fostering that international objective. The Office's twofold focus - on cooperation with less developed countries and on direct involvement by industry - represents a further concrete contribution by Canada to East-West and North-South dialogues on environmental matters.

D. Denmark

34. Environmental protection is an integral part of Danish development policy, and sustainable development strategies have already been elaborated and will be further developed in light of the objectives of Agenda 21.

35. In order to implement the United Nations Conference on Environment and Development decisions to strengthen national capacities and international cooperation for capacity-building in developing countries, the Government of Denmark is favourably inclined towards making a contribution to UNDP's Capacity 21 initiative.

E. Finland

36. In order to improve the ecological and social sustainability of bilateral development projects and programmes, the Finnish International Development Agency (FINNIDA) has been continuing the integration work of the environmental impact assessment (EIA) procedure in the course of its activities.

37. Finland's contribution to the Environment Fund (Fund of the United Nations Environment Programme) for 1992 was Fmk 20.5 million, and to the United Nations Centre for Human Settlements (Habitat), Fmk 3 million.

38. Finland has actively supported countries with economies in transition, especially the Baltic States and the Russian Federation. A great share of this assistance has been designated to help these countries resolve their most urgent environmental problems in the neighbouring regions of Finland. In the period 1991-1992, Finland supported environmental projects in this area with budgetary contributions amounting to Fmk 114 million.

39. Finland has participated in the enhancement of the global environment by supporting the Global Environmental Facility (GEF) in the period 1991-1993 with approximately Fmk 35 million annually.

F. France

40. The French contribution to the Environment Fund will be doubled compared with the initial effort (involving FF 900 million over a three-year period) to which France subscribed in 1990.

41. Furthermore, France intends to increase its assistance effort for the sectors related to Agenda 21. The increase envisaged for 1993 in relation to 1992 is of the magnitude of 10 per cent through bilateral channels, France's main sectors of interest being the following:

(a) Fresh water resources;

(b) Mineral resources;

(c) Urban environment;

(d) Energy;

(e) Forestry.

42. In accordance with the conclusions of the United Nations Conference on Environment and Development, particular attention will be given to projects initiated by non-governmental organizations and local communities in those sectors. The strengthening of institutional and technological capacities will be subject to specific evaluation.

43. France maintains its support to national environment action plans. In 1993, about FF 100 million should be granted to either the preparation of these plans or their implementation in Madagascar, Seychelles, Benin, Congo, Côte d'Ivoire, Burundi and Rwanda.

44. The commitments of France in 1993 for key programmes of Agenda 21 (in millions of French francs) may be summarized as follows:

Actions in the area of urban environment	550
Urban water management	415
Rural development	200
Forests	63
Rural water-supply	70
Energy	110
Industry	127
Research	
	1 615

G. Germany

45. Germany's 1993 development budget provides for the following initiatives for the implementation of Agenda 21 as set forth in its chapter 33:

(a) Support for the Capacity 21 programme proposed by UNDP. The Budgetary Committee of the German Parliament has stipulated, however, that a final decision from the Committee is to be made during the implementation of the 1993 budget before the funds are released;

(b) Allocation of additional funds for international non-governmental organizations which, in the view of Germany, are in a position to support developing countries in an efficient and unbureaucratic manner, particularly at the local and regional levels;

(c) An increase in funds allocated to international agricultural research, particularly to assist in developing the newly founded international forestry research institute.

46. At the United Nations Conference on Environment and Development, Germany proposed a replenishment of SDR 3 billion (3 billion in special drawing rights) (approximately DM 6.7 billion) for the Global Environment Facility (GEF) and is prepared to make its contribution provided there is proper burden-sharing.

H. Iceland

47. Since 1979, Iceland has operated a postgraduate geothermal training programme, under the aegis of the United Nations University, that trains 16 students per year. Iceland considers this project to be highly successful.

I. Ireland

48. A programme adopted following the general election in December 1992 contains an explicit commitment to spend new resources on projects covered by Agenda 21 as part of the Irish national ODA budget.

49. As part of this commitment, new and additional resources have already been earmarked for 1993 under the Irish Bilateral Aid Programme for expenditure in key sectors identified in Agenda 21. Priority is being given to human development projects (60 per cent), and water resources projects (25 per cent), as well as those in the areas of forestry and conservation, and the urban and rural environment.

50. In the area of water resource projects, part of these funds are being spent in 1993 on drinking-water supply and sanitation projects in the United Republic of Tanzania, Ethiopia and Uganda. Funds are also being provided for non-governmental organization activities in this context.

51. Activities related to the transfer of environmentally sound technology, cooperation and capacity-building have formed a basic part of the Irish Government's Bilateral Aid Programme since its inception. Since the United

Nations Conference on Environment and Development, greater attention has been given to these areas. In particular, new and additional resources are being devoted to training hydrologists from developing countries.

J. Italy

52. Italy is focusing its attention on the following issues:

(a) Technology transfer;

(b) Deforestation;

(c) Desertification and drought;

(d) Agriculture and rural development;

(e) Atmosphere;

(f) Water-supply;

(g) Human settlements;

(h) Solid wastes.

53. The Italian Parliament is currently discussing the Government's proposal to contribute 5 million dollars to the Rain Forest Trust Fund.

54. A decision has been taken to prepare a national programme on global climate, to be approved by the end of 1993. The programme shall coordinate and integrate research in such areas as:

(a) Mathematical models of climate, with a focus on regional analysis and the forecasting of climate change in the Mediterranean area;

(b) Monitoring of climate and of the greenhouse gases in the atmosphere by ground surveys and remote sensing;

(c) Monitoring of streams in the Mediterranean Sea and of their influence on climate;

(d) Interrelations between socio-economic factors and climate.

55. Inter-ministerial working groups are involved in the formulation of a national plan for the implementation of the Rio Declaration on Environment and Development 6/ and of Agenda 21, and in preparations to present in Parliament guidelines for a "Report on environment and sustainable development" to be discussed every year, starting from 1993.

56. As regards the transfer of environmentally sound technologies, cooperation and capacity-building, analysis of Italian experience and capacity useful for the implementation of Agenda 21 is now under way with a view to promoting the

transfer of such technologies through multilateral and bilateral programmes of technological partnership. Specific areas include:

(a) Technologies for the remote sensing from satellites of sea and shore pollution, eutrophication of coastal areas and sea basins, sea streams, atmosphere circulation, land use, desertification and forests;

(b) Weather monitoring and forecasting as well as climate modelling on a regional basis;

(c) Technologies for the implementation and the operation of integrated land monitoring databases, and the simulation of different schemes of land uses for more dynamic planning;

(d) Technology and experience in planning and implementation of activities in the area of rural development, in particular in semi-arid zones, as well as in the area of natural farming, involving a reduced use of fertilizers and pesticides;

(e) Experience in employing barriers against desertification and development of oases in north Africa;

(f) Technologies for the determination of hydro-geologic area patterns and construction of integrated infrastructures for the supply of water;

(g) Experience in the design and operation of plants for the generation of electricity with a reduced emission of pollutants (clean coal combustion, co-generation, fuel cells);

(h) Technologies for the reduction of the energy intensity in industries, particularly in the highly intensive ones, such as the glass, ceramic and concrete industries;

(i) Technologies for bioclimatic building, energy saving in housing and teleheating;

(j) Technologies and plants for the exploitation of solar, wind and mini-hydraulic (small waterfalls, waterworks and irrigation canals) energies;

(k) Experiences of the ecological reclamation of lakes, river and coastal areas and lagoons contaminated by residential, agricultural and industrial sewages;

(l) Technologies for the production of goods that are more easily recycled;

(m) Waste treatment and disposal:

(i) Experience of integral regional planning of solid waste treatment;

(ii) Technologies for sewage and waste treatment and for heat generation from urban wastes;

(iii) In the field of industrial wastes disposal, technologies related to management and recovery of raw materials, by-products and energy, as well as to final disposal of mechanical industry wastes.

57. Italian financial commitment to multilateral organizations dealing with sustainable development is of the order of 1.5 billion dollars, including the contribution to the tranche of 600 million in European currency units (ECUs) within the initiative launched by the European Economic Community (EEC). Additional financial implications related to the implementation of Agenda 21 are now being reviewed and considered.

K. Japan

58. The Government of Japan has increased its contributions to UNEP. For 1993, it has contributed a total of US$ 11 million - $9 million for the Environment Fund (Fund of the United Nations Environment Programme) and $2 million for the Technical Cooperation Trust Fund of UNEP. In addition, in October 1992 the UNEP International Environmental Technology Centres were established in Japan (Osaka and Shiga) with in-kind contributions equivalent to $1 million. These centres have as their goal advancing the transfer of environmental technology to developing countries.

59. In 1993 the International Tropical Timber Organization (ITTO) received a contribution from the Government of Japan amounting to US$ 12.69 million.

60. The Government of Japan has committed the sum of US$ 9.62 million in 1993 as a contribution to the fund under the Montreal Protocol on Substances that Deplete the Ozone Layer.

61. Japan is expanding its official development assistance to developing countries in the field of the environment. At the United Nations Conference on Environment and Development, Japan announced that it would expand its bilateral and multilateral ODA in the field of the environment to approximately 900 billion yen (US$ 7.1 billion) to 1 trillion yen (US$ 7.8 billion) in the five-year period starting in financial year 1992. In financial year 1992 alone, it is estimated that Japan's environmental aid rose to about 280 billion yen ($2.4 billion).

62. For the period 1991-1993, the Government of Japan has contributed to the GEF core fund the sum of US$ 11 million on a grant basis. It has also pledged $180 million for the same period under the co-financing arrangements of GEF.

63. Japan's environmental aid in financial year 1992 is estimated to have been approximately 280 billion yen including various projects world wide, namely in Mexico, Brazil, Kenya, China and Malaysia. Other areas of Japan's environmental aid include forest conservation and afforestation, pollution control, including reduction of carbon dioxide (CO_2) emissions and prevention of acid rain, and protection of wildlife. Japan's aid focuses on protection of wildlife, training programmes on saving energy and protection of the ozone layer, and concentrates as well on enhancement of the capacity of developing countries to cope with

environmental problems, drafting of environmental guidelines and promotion of the environmental dialogue with developing countries.

L. Netherlands

64. At the United Nations Conference on Environment and Development the Netherlands indicated that within the budget allocation for official development assistance, which exceeded the target of 0.7 per cent of GNP, financial resources available for the promotion of environmentally sound development in developing countries will increase to reach a total of almost US$ 250 million per annum starting in 1994.

M. Norway

65. Contributions from a specially established environmental fund are distributed through both multilateral and bilateral channels. A significant part of resources from this fund is allocated to assist developing countries in developing their national environmental strategies and environmental managerial plans.

66. Norway's assistance to countries in Eastern Europe is in addition to and separate from the budget for official development assistance. Contributions to environment and development measures in Eastern Europe correspond to about NKr 500 million (500 million in Norwegian kroner) (around US$ 74 million) in 1993.

N. Sweden

67. Sweden considers capacity-building to be one of the most important factors for developing countries in the process of aiming at a sustainable development.

68. Swedish bilateral development assistance programmes directed towards a follow-up of Agenda 21 will be focused on capacity-building and on projects related to sustainable use of natural resources, including sustainable use of biodiversity, as well as to freshwater issues, renewable energy resources and coastal zone management.

69. New and additional financial resources are being used to support an international conference, convened by Sweden, on risk assessment and risk management of chemical substances. Substantial backing will also be directed to preparing and carrying through the Food and Agriculture Organization of the United Nations (FAO) conference on plant genetic resources, as well as to studies on technical assessments of biotechnology and country studies within the United Nations framework of the Framework Convention on Climate Change (A/AC.237/18 (Part II/Add.1)). Sweden also attaches great importance to the role of women in the implementation of Agenda 21 and will support relevant activities in this respect within the United Nations Development Fund for Women (UNIFEM) as well as the United Nations Children's Fund (UNICEF).

O. Switzerland

70. The Swiss Government recognizes the necessity of additional resources in the field of global environment. It takes an active part in the negotiations aimed at the replenishment of the Global Environment Facility. During the three-year pilot phase, Switzerland has been contributing 4 per cent of GEF resources, which constitutes more than its usual part in such entities. The Swiss authorities welcome in principle the increase of the facility's capital and express their readiness to contribute substantially to the next phase.

71. The Swiss authorities established an inter-ministerial structure to deal with all issues relating to the follow-up to the United Nations Conference on Environment and Development. That structure is designed to facilitate an integrative decision-making process, as well as to foster coherent national policies. This structure recently established thematic working groups. The federal Administration and representatives of all the different segments concerned, including the private sector and non-governmental organizations, are using those working groups to develop common and innovative approaches and solutions to specific elements of the Agenda 21.

72. One of these groups is in charge of finding ways to facilitate transfer of technology and technological cooperation. This group is action-oriented and develops its activities as an operational clearing-house.

P. United Kingdom

73. The United Kingdom has committed £40.3 million (40.3 million pounds sterling) to the core facility of the GEF pilot phase to help developing countries tackle global environmental issues. The United Kingdom stands ready to contribute its share to a replenishment of GEF.

V. SPECIFIC CONTRIBUTIONS TO ENVIRONMENTAL CONVENTIONS

A. Australia

74. Through the EAP, Australia contributes to the fund under the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Global Environment Facility (GEF).

75. Australia is committed to co-financing the GEF pilot phase, contributing A$ 30 million over a seven-year period (1991-1992 to 1997-1998). To date, Australia has indicated an interest in co-financing the following GEF activities:

(a) Biodiversity conservation in the South Pacific;

(b) Promotion of electric energy efficiency in Thailand;

(c) Least-cost greenhouse gas emission plans in South-East Asia;

(d) Regional management of pollution in South-East Asian seas.

76. Australian aid expenditure is also channelled through the various multilateral development banks. These include the Asian Development Bank, the Asian Development Fund, the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation.

B. Denmark

77. Denmark will be ready to contribute its fair share of a threefold increase in GEF.

C. Finland

78. Finland supported the Interim Multilateral Fund for the Implementation of the Montreal Protocol with approximately Fmk 2 million in 1992.

79. It is envisaged that Finland will assist developing countries in the preparation of country studies falling within the framework of the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, as well as studies on combating desertification.

D. France

80. Through the Francophonie programmes, emphasis will be given to promoting consultations with French-speaking developing countries, particularly within the context of negotiations with respect to an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, inter alia, through financing of expert seminars, as well as within that of preparation of such items as national reports.

E. Germany

81. The German Government is ready to launch immediate measures before the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity enter into force and will be earmarking DM 10 million in the 1993 budget for programmes to implement these Conventions. These funds will be available to interested developing countries over and above its regular bilateral commitments. In addition, environmental projects have already begun in cooperation with the central and Eastern European States and the Commonwealth of Independent States, particularly the Russian Federation, Poland and Hungary.

F. Ireland

82. Ireland is making a contribution to the fund under the Montreal Protocol on Substances that Deplete the Ozone Layer.

G. Netherlands

83. In addition to the current commitments for development assistance, the Netherlands has announced that it will provide new and additional financial resources up to a maximum of 0.1 per cent of GNP for implementing activities in developing countries related to global environmental agreements, provided that other countries will take a similar course.

H. Norway

84. A national "climate fund" has been established. Norway's contributions to GEF as well as to certain climate projects are among those financed from this fund. For the time being, the fund amounts to NKr 75 million per year (about US$ 11 million). Norway's contributions to the fund under the Montreal Protocol on Substances that Deplete the Ozone Layer are financed separately from the ODA budget.

I. Sweden

85. Sweden intends to actively participate in the restructuring and replenishment process of GEF. In light of the process of establishing conventions and other ongoing negotiations on issues within the framework of GEF, we foresee a substantial rise in demand as well as replenishment for the next period.

86. Sweden expresses its support of the ongoing process to negotiate a convention to combat desertification. This includes contributions for the extrabudgetary funds, country studies and an expert meeting that Sweden will convene. This support is covered by new and additional financial resources.

J. United Kingdom

87. The British Prime Minister launched at the United Nations Conference on Environment and Development the Darwin Initiative for the Survival of Species. The Initiative aims to support the Convention on Biological Diversity through providing assistance for conservation and sustainable use of biodiversity and natural habitats. The Initiative will help to fund and encourage important biodiversity work both in the United Kingdom and in developing countries. It is intended to fill gaps in existing work and support new and innovative projects.

88. Six million pounds sterling (£6 million) in new and additional resources will be made available during the period from 1993/94 to 1995/96 to fund projects that meet the objectives of the Initiative. Non-governmental organizations, the scientific community, industry and international experts are participating in the drawing up of priorities for the Initiative.

89. The United Kingdom has contributed US$ 13.8 million to the fund under the Montreal Protocol on Substances that Deplete the Ozone Layer, and stands ready to contribute additional resources.

Notes

1/ According to information provided by Governments.

2/ Denotes 1.384 billion Australian dollars.

3/ Net disbursements.

4/ Denotes 3 billion markkaa.

5/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

6/ Ibid., resolution 1, annex I.

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CONSIDERATION OF THE OUTCOME OF THE DISCUSSION ON THE ABOVE ITEMS, AS WELL AS OF URGENT AND MAJOR EMERGING ISSUES, AT THE HIGH-LEVEL MEETING OF THE FIRST SESSION OF THE COMMISSION

Report of the Secretary-General

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INTRODUCTION

1. The first substantive meeting of the Commission on Sustainable Development is taking place exactly one year after the conclusion of the United Nations Conference on Environment and Development (UNCED) at Rio de Janeiro on 14 June 1992. The primary focus of the follow-up to UNCED during the past year has been on the establishment of the Commission on Sustainable Development; the High-level Advisory Board; the Inter-agency Committee on Sustainable Development; and secretariat support arrangements. At the national level, many Governments are establishing mechanisms to ensure coordination and commitment in the follow-up process.

2. Taking into account the agenda for the first session and the need to provide clear policy directions for the future work of the Commission, discussions at the high-level meeting could focus on the following themes:

(a) Critical dimensions of sustainability;

(b) National implementation and decision-making structures;

(c) Financial resources;

(d) Technology transfer;

(e) United Nations system implementation.

3. The Commission has before it reports on the issue of finance (E/CN.17/1993/11) and technology transfer (E/CN.17/1993/10), which outline recommendations and issues for discussion. The Commission also has before it a report on follow-up activities in the United Nations system (E/CN.10/1993/8), which contains the text of a Statement to the Commission by the Administrative Committee on Coordination (ACC). In addition, this report places before the high-level meeting certain issues for discussion relating to national implementation and to the critical dimensions of sustainability that need to guide the work of the Commission.

I. CRITICAL DIMENSIONS OF SUSTAINABILITY

4. The transition to sustainability will depend crucially on an international economy that supports key environment and development goals, effective steps against poverty (particularly in developing countries), changes in consumption patterns and measures to ensure compatibility between demographic dynamics and sustainability. These areas for action are dealt with in chapters 2-5 of Agenda 21. 1/ The high-level meeting of the first session of the Commission may wish to focus on certain specific areas requiring international action.

5. With regard to the international economy, much of the content of Agenda 21 is under discussion in other forums. The high-level meeting may wish to discuss the extent to which sustainability considerations are being taken into account in ongoing discussions on:

(a) Trade policies in the General Agreement on Tariffs and Trade and elsewhere;

(b) Structural adjustment policies;

(c) Macroeconomic adjustments in developed and developing countries.

6. There are certain other areas of action in which the high-level meeting may wish to consider more specific initiatives. The first of these is the link between trade and environment policies. Agenda 21 suggests that GATT, the United Nations Conference on Trade and Development (UNCTAD), and other relevant international and regional economic institutions should be asked to examine certain principles in order to develop an environment/trade and development agenda. The high-level meeting may wish to consider whether specific processes for intergovernmental discussions are required for developing further the principles enumerated on this subject in Agenda 21 (see para. 2.22 of Agenda 21).

7. Agenda 21 also deals with international commodity trade and trade diversification. The transition to sustainability in many developing countries that are dependent on a few key commodity exports will rely on effective progress in this area. The high-level meeting may wish to consider the specific initiatives that may be required for international commodity agreements, compensatory financing mechanisms, technical assistance and market access measures to promote diversification (see para. 2.16 of Agenda 21).

8. The links between poverty and environmental stress are recognized in Agenda 21 and the objective of providing all persons with an opportunity to earn a sustainable livelihood underlies chapter 3 as well as many other programme areas, notably those dealing with sustainable agriculture and rural development (chap. 14) and the management of fragile ecosystems (chaps. 12 and 13). An orientation in favour of the poor is also implicit in other programme areas dealing with health, education, human settlement, drinking water, sanitation etc.

9. In terms of action at the international level, Agenda 21 asks the United Nations system to make poverty alleviation a major priority and, inter alia, to:

(a) Assist countries, when requested, in formulating appropriate programmes;

(b) Promote technical cooperation and information exchange;

(c) Strengthen the coordination of action relating to poverty eradication;

(d) Establish a focal point for information exchange and the formulation and implementation of replicable pilot projects;

(e) Give high priority to the review of progress make in eradicating poverty (para. 3.10 of Agenda 21).

10. Poverty alleviation and related issues are discussed at the intergovernmental level in the General Assembly, in the Committee on Poverty of

UNCTAD and in intergovernmental discussions on such matters as the International Development Strategy and the New Agenda for the Development of Africa. Poverty alleviation will be a major theme of the forthcoming World Summit on Social Development, to be held in Copenhagen, 6-12 March 1995. The high-level meeting may wish to consider how consideration of this issue in the Commission could best add value to existing processes. It may also wish to consider the specific arrangements for coordination, information exchange and monitoring that would be appropriate.

11. The transition to sustainability will require changes in consumption patterns, particularly in the industrialized countries. This is recognized in chapter 4 of Agenda 21. The theme of changing consumption patterns is also implicit in other programme areas dealing with energy, transportation and wastes. With regard to national action, Agenda 21 draws attention to:

(a) Encouraging greater efficiency in the use of energy and resources;

(b) Minimizing the generation of wastes;

(c) Assisting individuals and households to make environmentally sound purchasing decisions;

(d) Exercising leadership through government purchasing;

(e) Moving towards environmentally sound pricing;

(f) Reinforcing values that support sustainable consumption (para. 4.22 of Agenda 21).

12. Consumption patterns are not the subject of intergovernmental discussion at present, although specific areas of consumption are discussed in some contexts. Hence, the high-level meeting may wish to consider more specific processes to give practical expression to the recommendation in Agenda 21 that reviewing the role and impact of unsustainable production and consumption patterns and lifestyles and their relation to sustainable development should be given high priority (para. 4.13 of Agenda 21).

13. The issue of population is dealt with in chapter 5 of Agenda 21. Population programmes are also dealt with in the discussion on poverty and the role of women. Demographic dynamics and population policies are discussed in other intergovernmental forums, such as the Population Commission; the Governing Council of the United Nations Development Programme (UNDP) in the context of the United Nations Population Fund; and the Preparatory Committee for the International Conference on Population and Development, to be held in Cairo, 5-13 September 1994. The high-level meeting may wish to discuss how best discussions in the Commission on this subject can add value to existing processes specifically dedicated to this purpose.

II. NATIONAL IMPLEMENTATION AND DECISION-MAKING STRUCTURES

14. Agenda 21 consists of approximately 2,500 activities spread over 115 programme areas. The majority of these are addressed to Governments for implementation at the national level. Agenda 21 recognizes that its successful implementation is first and foremost the responsibility of Governments (para. 1.3 of Agenda 21). It recommends that Governments should adopt a national strategy for sustainable development based on, inter alia, the implementation of decisions taken at the United Nations Conference on Environment and Development, particularly in respect of Agenda 21 (para. 8.7 of Agenda 21). In the discussion on national implementation, Agenda 21 recommends that:

(a) States could consider the preparation of national reports (para. 38.38 of Agenda 21);

(b) States may wish to consider setting up a national coordination structure responsible for the follow-up of Agenda 21 (para. 38.40 of Agenda 21).

15. Given the range of activities covered in Agenda 21, the national implementation of its recommendations will involve virtually every economic/development department. Moreover, effective implementation will require the active support of many groups outside the Government. Hence, the coordination structures suggested in Agenda 21 will have to be broad-based enough to include all relevant participants.

16. The manner in which this can be done will vary from country to country. It could take the form of an independent commission in the office of the chief executive, an interdepartmental coordinating group, a specific mandate for the national planning body, a national coordinating committee involving national and provincial administrations etc. The manner in which non-governmental organizations are brought into the process could also vary, as could the role of local authorities and parliamentary processes. The high-level meeting may wish to exchange views on this matter as well as the role of national coordination bodies in relation to the work of the Commission on Sustainable Development and of other intergovernmental bodies in which programmatic initiatives linked to Agenda 21 will be discussed.

17. An area of action that is closely linked to the national coordination of Agenda 21 implementation is dealt with in chapter 8 of Agenda 21, which contains four programme areas:

(a) Integrating environment and development at the policy, planning and management levels;

(b) Providing an effective legal and regulatory framework;

(c) Making effective use of economic instruments and market and other initiatives;

(d) Establishing systems to integrate environmental and economic accounting.

18. Effective implementation of Agenda 21 requires coordination processes not only for monitoring but also for catalyzing specific changes that will secure the integration of environment and development in the processes that determine economic/development policy and in sectoral decision-making structures. The high-level meeting may wish to exchange views and consider the need for a mechanism for the systematic exchange of ideas and information on this matter.

III. FINANCIAL RESOURCES

19. Although there have been a number of positive developments in the funding of Agenda 21, the general response so far observed to UNCED recommendations on funding has not been encouraging. The high-level meeting may wish to discuss how the Commission on Sustainable Development can assist in mobilizing the resources required for the implementation of Agenda 21.

20. The Commission has a number of functions which involve the review and monitoring of information provided by Governments, intergovernmental organizations and non-governmental organizations on the implementation of Agenda 21, the provision of funding for that purpose, and progress towards the target of 0.7 per cent of the gross national product of developed countries being allocated for official development assistance (ODA). The high-level meeting may wish to consider the modalities and format for providing information to the Commission, as well as the need to redesign data-classification schemes to make it possible to assess the flow of development finance for specific Agenda 21 clusters.

21. Agreed assessments of availability, need and related policy matters in relation to the financial requirements of the different parts of Agenda 21 could help to guide further discussions of the Commission and provide a suitable and common basis for further action by bilateral and multilateral funding organizations. They would provide a basis for the Commission on Sustainable Development to discuss the replenishment of specific facilities, set priorities for aid programmes and monitor financial matters. Specific pledges and commitments would continue to be made in the discussions between funding organizations and individual recipients.

22. One possibility that could be considered is the establishment of a series of ad hoc groups of professional experts named partly by countries, partly by international financial institutions and partly by concerned specialized agencies. The high-level meeting may wish to consider the establishment of this or another appropriate mechanism to make such agreed assessments.

IV. TECHNOLOGY TRANSFER

23. The need to develop information networks which link national, subregional, regional and international systems is specifically identified in chapter 34 and other chapters of Agenda 21. Indeed, the need for improved information and data-processing systems is evident in most chapters of Agenda 21 and may need to be addressed on a cross-sectoral basis. At present, several information systems and networks are in the process of being created. While decentralized systems may reach more users than a single centralized system, there is a need for

better coordination among systems and for standardization of data collection and retrieval. The high-level meeting may wish to review the current situation and recommend modalities for coordination and standardization among various information systems related to the transfer of environmentally sound technologies, cooperation and capacity-building.

24. In the area of technology assessment, increasing attention needs to be placed on building and strengthening national capacities which link assessment to decision-making. Emphasis is also needed on coordinating the many different technology assessment activities within the United Nations system; providing information on similar activities being undertaken by national Governments, non-governmental organizations and the private sector; and standardizing methodologies for assessment. The high-level meeting may wish to consider the need for a focal point for technology assessment within the United Nations system that could both serve as a clearing-house for information and referrals and oversee work on methodologies and their standardization.

25. Support and promotion of access to the transfer of technology is directly related to commitments made as part of international agreements and conventions on the environment. These commitments are closely related to commitments on financing. The high-level meeting may wish to consider how best to monitor the implementation of such commitments.

26. Technology transfer involves a variety of non-governmental entities, including transnational corporations. The high-level meeting of the Commission may wish to consider the modalities for its interaction with these organizations and its relationship with relevant intergovernmental bodies, such as the Commission on Transnational Corporations, that deal with this issue.

V. UNITED NATIONS SYSTEM IMPLEMENTATION

27. With regard to the follow-up of Agenda 21 in the United Nations system, the high-level meeting may wish to consider the issues raised in the ACC Statement to the Commission on Sustainable Development.

VI. OTHER ISSUES

28. In addition to the issues raised above, the high-level meeting may wish to consider specific initiatives in some of the areas dealt with in Agenda 21 in order to give practical expression to the principles of partnership between countries and between Governments and non-governmental organizations that underlie Agenda 21.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

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Item 5 of the provisional agenda*

PROGRESS IN THE INCORPORATION OF RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT IN THE ACTIVITIES OF INTERNATIONAL ORGANIZATIONS, AND MEASURES UNDERTAKEN BY THE ADMINISTRATIVE COMMITTEE ON COORDINATION TO ENSURE THAT SUSTAINABLE DEVELOPMENT PRINCIPLES ARE INCORPORATED IN PROGRAMMES AND PROCESSES WITHIN THE UNITED NATIONS SYSTEM

Information provided by the Trade and Development Board of the United Nations Conference on Trade and Development on the implementation of Agenda 21

Note by the Secretary-General

1. In paragraph 25 of its resolution 47/191 of 22 December 1992, the General Assembly requested the Governing Council of the United Nations Environment Programme, the Governing Council of the United Nations Development Programme and the Trade and Development Board to examine the relevant provisions of chapter 38 of Agenda 21 1/ at their next sessions and to submit to the General Assembly at its forty-eighth session, through the Commission on Sustainable Development and the Economic and Social Council, reports on their specific plans to implement Agenda 21.

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* E/CN.17/1993/4.

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions adopted by the Conference (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

2. Attached to the present note is Trade and Development Board decision 402 (XXXIX) entitled "Sustainable development" adopted by the Board at the second part of its thirty-ninth session, to which is annexed a report on plans to implement Agenda 21 within its mandate. The decision and the annexed report will appear in the report of the Board on the second part of its thirty-ninth session (A/48/15, vol. I), which will be before the Council and the Assembly for consideration.

Decision 402 (XXXIX): Sustainable development

The Trade and Development Board decides that:

1. The Board, taking into account the importance, in the context of sustainable development, of the theme "Trade and environment", consider that theme at the first part of each of its annual sessions; that, for the first part of its fortieth session, it consider within this theme the specific issue "Trends in the field of trade and environment within the framework of international cooperation"; and that for subsequent sessions, the specific issues to be discussed under this theme be determined in the informal consultative mechanism established in accordance with paragraph 83 of the Cartagena Commitment, taking into account the evolution of preparatory work in the secretariat;

2. The Board also consider another theme or themes on sustainable development at the second part of its annual sessions, the specific topic or topics to be identified using the mechanism outlined in paragraph 1 above;

3. The UNCTAD secretariat organize on an experimental basis for the fortieth session periodic information briefings in preparation of the issues to be discussed at that session;

4. The Board review the arrangements in paragraphs 1, 2 and 3 above in connection with the process of review and evaluation of the work programmes of the intergovernmental machinery to be held in 1994;

5. The Board transmit to the General Assembly at its forty-eighth session, through the Commission on Sustainable Development and the Economic and Social Council, in response to paragraph 25 of General Assembly resolution 47/191, the annexed report on its specific plans to implement Agenda 21 within its mandate.

824th plenary meeting
26 March 1993

Annex

RESPONSE OF THE TRADE AND DEVELOPMENT BOARD TO GENERAL ASSEMBLY RESOLUTION 47/191

Mandate

1. In paragraph 25 of its resolution 47/191, the General Assembly requested, inter alia, the Trade and Development Board to examine the relevant provisions of Chapter 38 of Agenda 21 at its next session and to submit a report on its specific plans to implement Agenda 21 to the General Assembly at its forty-eighth session through the Commission on Sustainable Development and the Economic and Social Council. The present report responds to this request.

The role of UNCTAD in implementing Agenda 21

2. Paragraph 38.26 of Agenda 21 refers explicitly to UNCTAD by stating that UNCTAD "should play an important role in the implementation of Agenda 21, ... taking into account the importance of the interrelationships between development, international trade and the environment and in accordance with its mandate in the area of sustainable development."

3. The Trade and Development Board has pursued this matter, in accordance with the mandates given to UNCTAD by the Cartagena Commitment and by Agenda 21 itself. The Board is in the process of establishing a work programme responding to these mandates for its own Sessional Committee charged with examining sustainable development issues and, under the Board's overall authority, work programmes have been established to implement relevant provisions of these mandates in the Board's subsidiary bodies.

4. These intergovernmental work programmes represent the specific plans of the Trade and Development Board to implement its mandates in the field of sustainable development. The Board will keep its work in this field under constant review, and will adjust the work programmes in the light of developments.

Organization of intergovernmental work on sustainable development in UNCTAD

5. The work programmes of UNCTAD's intergovernmental bodies are carried out by the Board and its various subsidiary bodies. At the second part of its thirty-ninth session, the Board decided to organize its deliberations on sustainable development as follows:

(a) Taking into account the importance of the theme "Trade and environment", the Board will consider a topic under this theme at the first part of each of its annual sessions; and

(b) It will consider another theme or themes on sustainable development at the second part of its annual sessions.

The topics and themes will be determined well in advance through the informal consultative mechanism established in accordance with paragraph 83 of the Cartagena Commitment, taking into account the evolution of preparatory work in the secretariat. The Board will have the overall responsibility of submitting to the Commission on Sustainable Development the results of its own deliberations, as well as those of its subsidiary bodies.

6. For ease of cross-reference to Agenda 21, the work programmes referred to above are presented below organized around six sectors specific to UNCTAD:

- Agenda 21 and trade;
- Agenda 21 and commodities;
- Agenda 21 and technology;
- Agenda 21 and services;
- Agenda 21 and poverty; and
- Agenda 21 and privatization.

As indicated, because of the importance which member States attach to the subject of trade in the context of sustainable development, the Board itself deals with this subject;* the others are covered in the Board's various subsidiary bodies, which are themselves organized along sectoral lines.

7. It is also worth noting that the Trade and Development Board and its subsidiary bodies have adopted the practice of organizing input to their discussions from three

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* The issue of trade and environment is also discussed in one of the Board's subsidiary bodies, from the perspective of the expansion of the trading opportunities of developing countries.

actors singled out in Agenda 21 as playing an important role in the implementation of Agenda 21, namely the private, academic and NGO sectors.

A. Agenda 21 and trade

8. The Board will give consideration to the following areas as elements of its substantive intergovernmental work programme on trade-related aspects of sustainable development. Paragraphs of Agenda 21 to which the work programme elements are relevant are indicated in parentheses for ease of reference.

- Trends in the field of trade and environment within the framework of international cooperation;
(para. 2.22 (b))

- The reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become an instrument of protection;
(paras. 2.21 and 2.22 (c, d, e, f, i))

- Analysis of the impact of environment-related regulations and standards on export competitiveness, particularly of developing countries;
(para. 2.22 (f, g))

- Building of increased awareness and understanding of the interlinkages between trade, development and environment;
(para. 2.22(b))

- Consideration of the special conditions and development needs of developing countries in the context of trade and environment;
(para. 2.22(g, h, i))

- Collection, analysis and dissemination of information on environmental regulations and measures which may have an impact on trade, especially that of developing countries;
(paras. 2.15, 2.22(c))

- Comparative analysis of country experiences with ways and means of promoting trade expansion and diversification without deteriorating or depleting the natural resource base (with specific focus on export competitiveness).
(paras. 2.11, 2.14, 2.24, 3.5, 4.17, 4.18)

9. In addition, the Board's Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries has adopted a work programme which contains the element "Environmental measures", under the terms of which the Working Group would consider the impact of environmental policies and measures on trading opportunities of developing countries with a view to making recommendations for enhancing those opportunities (paras. 2.10(a, c, d), 2.12 and 2.22(a)).

B. Agenda 21 and commodities

10. The Board's Standing Committee on Commodities has agreed on a work programme which singled out sustainable development as one of its four priority areas. This work programme contains the following elements relevant to the implementation of Agenda 21:

- Analysis of national experiences in the management of natural resources with regard to commodity production;
(para. 3.8(m))

- Exploration of the links between commodity policies, use and management of natural resources and sustainable development;
(paras. 2.11, 2.13, 2.16(a), 4.10(b))

- Identification of environmental problems that are specific to commodity production and processing and examination of ways of improving developing countries' access to international financial and technical support including environmentally sound technologies to cope with such problems;
(paras. 4.17(c), 4.18)

- Identification of means by which the competitiveness of natural products with
vironmental advantages could be improved;
aras. 4.19(c), 4.20, 4.22(a,b))

xamination of the manner in which prices of natural commodities and their
/nthetic competitors could reflect environmental costs.
)aras. 2.14(c), 4.24, 8.31(a, b), 8.37)

Agenda 21 and technology

The Board's Ad Hoc Working Group on the Interrelationship between
ient and Technology Transfer has agreed on a work programme composed of
)riority areas, of which one is entitled "Transfer and development of

environmentally sound technologies". This latter contains the following elements relevant to the implementation of Agenda 21:

- Issues involved in the generation, transfer and diffusion of environmentally sound technologies which have an impact on competitiveness and development; (paras. 34.14(b), 34.26)

- Policies and measures for the promotion, development, dissemination and financing of environmentally sound technologies, particularly in developing countries, taking into account the need to provide incentives to innovators that promote research and development of these technologies. (paras. 34.11, 34.14, 34.18 - 20, 34.27, 34.28)

D. Agenda 21 and services

12. The Board's Standing Committee on Developing Services Sectors, which deals with services in general, shipping and insurance, has adopted work programmes containing the following elements relevant to the implementation of Agenda 21:

- The role played by the services sectors in contributing to growth and sustainable development; (paras. 2.16(a), 4.18, 4.26, 8.14, 8.19, 8.33(a) and 40.22)

- Comparative analysis of the factors which can contribute to sustainable development of ports and related port services. (paras. 17.6(b, i), 17.30(d) and 17.38 (d))

- Alternative mechanisms to meet the insurance and reinsurance needs in respect of environmental impairments. (Although insurance does not appear as such as an issue in Agenda 21, this work element is relevant to chapters 4, 14 and 17 to 22 of Agenda 21)

E. Agenda 21 and poverty

13. The Board's Standing Committee on Poverty Alleviation has agreed on a work programme of six priority areas which contains the following elements relevant to the implementation of Agenda 21:

- Analysis of the linkages between poverty and sustainable development; (para. 3.10(a))

Examination of the implications for the poor of national and international policies relating to environment (e.g., application of the polluter-pays principle; environmental standards that might adversely affect the poor); (para. 3.8(d,f,h,o))

F. Agenda 21 and privatization

14. The Board's Ad Hoc Working Group on Comparative Experiences with Privatization has adopted a work programme which includes an element on environmental aspects of privatization (paras. 2.13(a), 2.31, 2.37(c), 2.38, 30.3, 30.4, 30.19 and 30.28)

Studies and projects related to sustainable development funded by extrabudgetary resources

15. The UNCTAD secretariat is pursuing and completing studies, funded by extrabudgetary resources, on market-based instruments for financing environmental protection; this work is focused primarily on the costs and benefits of CO_2 abatement, including tradeable entitlements, joint implementation of commitments, and tax-based instruments. The UNCTAD secretariat has also designed studies and projects related to sustainable development funded by extrabudgetary resources, and the work carried out by the secretariat is indicated in the appendix.

Technical cooperation

16. In the field of technical cooperation, the overall objective of UNCTAD is to strengthen the capacity of the developing countries to implement Agenda 21 effectively. This is being carried out in accordance with paragraph 43 of the Cartagena Commitment and chapter 37 of Agenda 21.

Appendix

Studies and projects related to sustainable development funded by extrabudgetary resources

List of donors

UNDP

Funds are provided for policy oriented research on the interlinkages between trade and environment, consisting of (i) country case studies and (ii) thematic studies of general interest. Work on trade and environment is also supported under an Asian/Pacific Trade and Investment Technical Co-operation Programme.

Colombia

Funding of two studies on the relationships between trade and environment undertaken by a national research institute and a non-governmental organization.

Government of Germany

Funding is provided for studies on particular aspects of tradeable carbon emission entitlements.

Government of Italy

Funding is provided for a training package on developmental aspects of global environmental deliberations within UNCTAD's Trainfortrade programme .

Government of Luxembourg

Funding is provided for a training package on trade and environment within UNCTAD's Trainfortrade programme.

Government of the Netherlands

A contribution is made to two components of the work programme: (i) analysis of trade and environment linkages; (ii) country/commodity case studies. A contribution was also made to the development of a pilot version of **GREENTRADE** in 1992. A study of the implications of basic principles of environmental policy for developing countries is nearly complete. Funding was provided for the first phase of the work on tradeable carbon emission entitlements, and funding is being provided for a pilot initiative on CO_2 offset arrangements.

Government of Norway

Funding is provided for policy-oriented analysis of the links between policies and environmental effects of production and processing in the commodity sector and for a conceptual study on the internalization of environmental externalities in prices of commodities. Funding was provided for the first phase of the work on tradeable carbon emission entitlements, and funding is being provided for a study on the essential design requirements of a global system of tradeable carbon emission entitlements and for a pilot initiative on CO_2 offset arrangements.

International Institute for Sustainable Development (IISD)

Sponsoring of expert group meetings, hosted by the International Institute for Sustainable Development (IISD) in Winnipeg, Canada, to discuss outlines and findings of studies carried out on environment and trade policies.

International Development Research Centre (IDRC)

Funding of policy-oriented research on the impacts of environmental concerns on market access, with special reference to eco-labelling.